



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 25, 2000

OFFICE OF THE CHAIRMAN

The Honorable J. Dennis Hastert  
Speaker of the House  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

Dear Mr. Speaker:

Pursuant to provisions of the Federal Election Campaign Act (FECA), this budget request is submitted concurrently to Congress and the OMB. The Federal Election Commission herewith transmits its FY 2001 Budget Request of \$40,960,000 and 356 FTE for consideration by Congress. This request embodies an agreement with OMB for \$40,500,000 and 352 FTE for the Commission in FY 2001, plus our request for an additional Executive Assistant for each of four Commissioner's offices. Currently, only the Chairman and Vice Chairman are allocated a second Executive Assistant.

In essence, our request represents a continuation of the FY 2000 appropriation, adjusted for inflation and personnel pay and benefit increases, minor programmatic increases, and, as mentioned above, 4 additional FTE for the Commissioners' offices.

The Commission also transmits its FY 2001 Performance Plan, and re-transmits its FY 1998-2003 Strategic Plan, in accordance with the Government Performance and Results Act, or GPRA. In addition, included in the submission is our most recent status report to Congress on the PricewaterhouseCoopers recommendations.

Highly competitive congressional elections and an open presidential nomination election for both major parties will result in record setting workloads for the FEC in FY 2001. Therefore, providing the Commission with the resources necessary to accomplish its statutory mandate will be especially vital during this election cycle.

Again, the Commission strongly urges the full support of our FY 2001 budget request. We are ready to answer any questions you may have and to work with you in securing sufficient funding for the Commission in FY 2001.

Sincerely,

A handwritten signature in dark ink, appearing to read "Darryl R. Wold".

Darryl R. Wold  
Chairman

Enclosure

**FEDERAL ELECTION COMMISSION**

**BUDGET REQUEST FOR FY 2001  
CONGRESSIONAL JUSTIFICATION**

**SUBMITTED PURSUANT TO GPRA AND OMB A-11**

**FEBRUARY 25, 2000**

**Concurrently submitted to  
OMB pursuant to  
2 U.S.C. §437d(d)**

**FEC FY 2001  
Congressional Budget Justification**

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## EXECUTIVE SUMMARY

The Federal Election Commission submits a budget request of \$40,960,000 and 356 FTE for FY 2001, an increase of \$2,682,000 (or 7.0%) and 4 FTE (an increase of 1.1%) over our FY 2000 appropriation.<sup>1</sup> In essence, it represents a continuation of the FY 2000 funding level, adjusted for inflation and personnel pay and benefits increases (including the executive and senior level pay raises), and supplemented by minor programmatic increases. This request embodies an agreement with OMB for \$40,500,000 and 352 FTE for the Commission in FY 2001, plus our request for four additional FTE. The agreement with OMB represents an increase of \$2,222,000 (5.8%) and no FTE increase over the Commission's FY 2000 funding.

Specifically, the differences from our FY 2000 appropriation are:

- An increase of 4 FTE for Commissioner's offices (this would provide each Commissioner's office with two Executive Assistants (EAs); at present, only the Chairman and Vice Chairman are allocated a second EA).
- An additional \$100,000 for contract funds (above the FY 2000 funding level for contracts) for a total of \$200,000 to complete the Voting Systems Standards (VSS) update (total cost of \$450,000 since FY 1999.)
- \$60,000, to fund a national conference on the revised VSS and other election administration issues.
- A reduction of Audit staffing from 43 FTE to 38 FTE, which represents the 5 FTE of Audit temporaries required for certification of presidential matching funds in the 2000 election cycle funded in FY 1999 and FY 2000.
- \$177,000 for three additional FTE in the Audit Division to implement the PricewaterhouseCoopers (PwC) recommendation to upgrade the Title 2 Audit "For Cause" Program.
- \$308,000 for two FTE and the necessary funding associated with the Alternative Dispute Resolution (ADR) Project.
- \$100,000, in addition to the \$250,000 included in the FY 2000 level for a total of \$350,000, for legal document imaging and indexing.

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<sup>1</sup> The Commission's FY 2001 request adjusts the FTE from 351.5 in FY 2000 to 352 by adding one-half FTE in the Data Systems Division, which also brings the Data staffing total to a whole FTE versus a half FTE: from 47.5 FTE to 48 FTE. The adjustment from FY 2000 essentially reduces the Audit temporaries by 5 FTE, but adds the half FTE in Data, going from 351.5 FTE to 347 FTE as a base. To this we add 2 FTE for ADR, 3 FTE for the Audit program, and 4 FTE for the Commissioners to bring our request to 356 FTE.

The funding level contained in this budget request will enable the Commission to:

- Complete the 2000 Presidential audits within two years of the election.
- Conduct 40-45 Title 2 "for cause" audits per election cycle as opposed to 20-25 in the previous election cycles.
- Maintain a timely and enhanced campaign finance disclosure program, including:
  - \* Progress in improving the processing of reports and the inputting of data, as well as the review of reports filed with the FEC.
  - \* Implementing thresholds for mandatory electronic filing of disclosure reports.
  - \* Granting more waivers for state filings to participating state elections offices, including making IT equipment available to participating state offices.
  - \* Enhancing the disclosure imaging system for Internet access.
- Ensure that significant efforts are made to enforce the disclosure and limitation provisions of the FECA.
- Complete the revision of the Voting Systems Standards and conduct a national conference of elections officials to introduce the new standards.
- Continue its progress in implementing an Administrative Fines Program, the Alternative Dispute Resolution Pilot Program, and other initiatives to streamline the enforcement process and improve timeliness of enforcement actions.
- Continue its progress in implementing the PwC audit recommendations. (For a detailed status report on the Commission's progress in implementing the PwC recommendations, see Appendix A.)
- In addition to supporting the initiatives above, develop and maintain enhanced computer capabilities, including:
  - \* conversion to a client server environment;
  - \* expansion of the FEC's website;
  - \* development of a Commission-wide document management system;
  - \* operation of case management systems in the Office of the General Counsel and the Audit Division; and
  - \* computer security improvements.

The Commission originally requested a FY 2001 budget of \$41,323,000 and 356 FTE. After discussions, OMB agreed to the inclusion of a FY 2001 request of \$40,500,000 and 352 FTE for the FEC in the President's formal FY 2001 budget request. However, it was understood that the Commission would seek from Congress funding for four additional FTE representing the additional EA positions for all Commissioners.<sup>2</sup> The request for the four positions would add \$460,000 to the President's budget request for the FEC, increasing it from \$40,500,000 to \$40,960,000 and from 352 to 356 FTE.

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<sup>2</sup> The Commission is specifically authorized by statute to submit its budget request to Congress without necessarily getting "approval" from OMB. 2 U.S.C. §437d(d)(1).

## Difference Between FY 2000 Appropriation and FY 2001 Request

	FY 2000 Appropriation <sup>3</sup>	\$38,278,000
+	Increase in pay costs, <sup>4</sup> rent costs, <sup>5</sup> and overhead costs <sup>6</sup>	\$ 1,835,500
-	Net Decrease in IT Initiatives costs <sup>7</sup>	(\$ 229,500)
-	5 FTE for Audit temporaries	(\$ 129,000)
	Subtotal for changes to FY 2000 for "Base" level	\$ 1,477,000
+	3 FTE to implement the PwC Title 2 Audit "For Cause" Program	\$ 177,000
+	2 FTE for Staff Director to implement ADR Program	\$ 308,000
+	Legal document imaging and indexing	\$ 100,000
+	Completion of VSS	\$ 100,000
+	National Conference on VSS and other issues	\$ 60,000
	Subtotal for programmatic initiatives in FY 2001	\$ 745,000
+	4 FTE for Commissioners <sup>8</sup>	\$ 460,000
=	<b>Budget for FY 2001</b>	<b>\$40,960,000</b>

### Mission

Our FY 2001 budget request will enable the Commission to perform its statutory mission and meet its program goals and objectives. The Commission's budget justification, therefore, is structured to reflect its fundamental mission: to administer and enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- The disclosure of campaign finance information;
- The contribution limitations and prohibitions; and
- The public financing of Presidential elections.<sup>9</sup>

<sup>3</sup> This figure includes \$38,152,000 as enacted in the FY 2000 Treasury appropriations bill, supplemented by a carryover of \$270,000 in earmarked FY 1999 funds, reduced by an across-the-board rescission of \$144,000, for a final total of \$38,278,000.

<sup>4</sup> Inflation in personnel costs includes within-grade increases and career ladder promotions (\$350,000) and cost-of-living adjustments (COLAs), including mandated increases in amounts contributed to the employee retirement funds (CSRS and FERS), as well as federal employee health insurance (\$1,168,000).

<sup>5</sup> FY 2001 reflects higher space costs due to increases in GSA rental rates and enhanced security in Federal buildings: increase of \$330,000.

<sup>6</sup> Inflation in non-personnel costs includes increases in basic overhead expenses—phones, printing, reproduction, equipment rental, supplies and postage—offset by savings in one-time building renovation costs incurred in FY 1999 and FY 2000: net decrease of \$12,500.

<sup>7</sup> IT costs in FY 2001 decrease from FY 2000 due to costs shifting from developmental work to operation and maintenance of implemented and working systems designed in previous FY's.

<sup>8</sup> This figure includes \$380,000 for salaries and benefits and \$80,000 to support new personnel.

<sup>9</sup> Public funding of Presidential elections comprises three parts: matching funds for qualified Presidential primary candidates; public grants for the Presidential nominees of major and minor parties; and public grants to major parties to run their national Presidential nominating conventions.

Additionally, the Commission has the mandated responsibility of compiling information and reviewing procedures related to the administration of federal elections.

#### **Additional FTE for Commissioners' Offices (See p. 8)**

It is important to note that, at present, only the Chairman and Vice Chairman are allocated a second Executive Assistant (EA). Providing each of the other Commissioners with an additional EA will enable them both to have basic staffing at all times and to meet the increased demands which have been placed on their offices.

#### **Programs, Objectives and Goals (See p.15)**

To accomplish its mission, the Commission has established six major programs. For each program, the Commission has defined objectives and goals. The programs are listed below, followed by the dollar amount and FTE needed to achieve the objectives and goals under the FY 2001 Budget:

- Promoting Disclosure (core) - \$7,974,215 and 104.5 FTE (p. 17-19)
- Obtaining Compliance with the Federal Election Campaign Act (core) - \$10,259,783 and 108 FTE (p. 19-22)
- Administering the Public Financing of Presidential Elections (core) - \$3,382,353 and 37.5 FTE (p. 22-23)
- Election Administration (core) - \$823,500 and 5 FTE (pp. 23 and 24)
- Special IT Projects (management) - \$4,689,500 and 8.5 FTE (p. 24-28)
- Commission Policy and Administration (management) - \$13,830,649 and 92.5 FTE (p. 29)

#### **Internal IT Enhancements (See p. 24)**

Under the current budget request, the agency will fully fund IT initiatives as outlined in its Information Technology (IT) Strategic Plan,<sup>10</sup> including the following four areas:

- Computer Security
- World Wide Web
- Document Management
- Client/Server Development and Conversion

#### **Electronic Filing (See p. 26)**

By the start of 1998, the Commission's full voluntary electronic filing system was in place for political committees, other than Senate committees and the national parties' Senate campaign committees.<sup>11</sup> On September 29, 1999, the President signed the FY 2000 Treasury General Government Appropriations Act, which mandates electronic filing in the 2002 election cycle for political committees, other than Senate committees and the

<sup>10</sup> The FEC's IT Strategic Plan is a running five-year plan, reviewed and updated annually. (A revised FY 1999-2002 IT Plan will be submitted under separate cover.)

<sup>11</sup> Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

national parties' Senate campaign committees, reaching a certain threshold. The provision will be effective for reporting periods beginning after December 31, 2000. Thus, the implementation will take place in FY 2001. The Commission anticipates that the related rulemaking will be implemented by December 2000. The FEC's current electronic filing system is designed to handle the entire filing community, if necessary.

Efficiencies to be realized from mandatory electronic filing should become a reality in FY 2001, the peak activity period of the 2000 election cycle. Committee filings, to date, clearly indicate that the 2000 elections are likely to break all records for financial activity. The Commission will continue to actively encourage voluntary electronic filing for the 2000 elections, including offering incentives to encourage committees to file.

**Y2K (See p. 27)**

The Commission has encountered no Y2K problems to date.



## **FEDERAL ELECTION COMMISSION FY 2001 BUDGET REQUEST**

The Federal Election Commission submits a budget request of \$40,960,000 and 356 FTE for FY 2001, an increase of \$2,682,000 (or 7.0%) and 4 FTE (or 1.1%) over our FY 2000 appropriation. Except as noted below, it represents a continuation of the FY 2000 funding level, as adjusted for inflation and personnel pay and benefits increases (including the executive and senior level pay raises). It differs from the FY 2000 appropriation, however, in that it contains funding for a second EA in each of 4 Commissioner's offices. Currently, only the Chairman and Vice Chairman have a second EA allocated to them during their terms. This creates a void in staffing when the only EA either must be away from the office or there are too many projects for one person to handle. The 4 additional staff would put all Commissioner's offices at the same staffing level and allow them to meet the increased demands placed on their offices. (See p. 8) The only other differences from our FY 2000 appropriation are:

- An additional \$100,000 for contract funds (above the FY 2000 funding level for contracts) for a total of \$200,000 to complete the Voting Systems Standards (VSS) update.
- \$60,000, to fund a national conference on the revised VSS and other election administration issues.
- A reduction of Audit staffing from 43 FTE to 38 FTE, which represents the 5 FTE of Audit temporaries required for certification of presidential matching funds in the 2000 election cycle funded in FY 1999 and FY 2000.
- \$177,000 for three additional FTE in the Audit Division to implement the PricewaterhouseCoopers (PwC) recommendation to upgrade the Title 2 Audit Program.
- \$308,000 for two FTE and the necessary funding associated with the Alternative Dispute Resolution Project.
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The funding level contained in this budget request will enable the Commission to:

- Complete the 2000 Presidential audits within two years of the election.
- Conduct 40-45 Title 2 "for cause" audits per election cycle as opposed to 20-25 in the previous election cycles.
- Maintain a timely and enhanced campaign finance disclosure program, including:
  - \* Progress in improving the processing of reports and the inputting of data, as well as the review of reports filed with the FEC.
  - \* Implementing thresholds for mandatory electronic filing of disclosure reports.

- \* Granting more waivers for state filings to participating state elections offices, including making IT equipment available to participating state offices.
- \* Enhancing the disclosure imaging system for Internet access.
- Ensure that significant efforts are made to enforce the disclosure and limitation provisions of the FECA.
- Complete the revision of the Voting Systems Standards and conduct a national conference of elections officials to introduce the new standards.
- Continue its progress in implementing an Administrative Fines Program, the Alternative Dispute Resolution Pilot Program, and other initiatives to streamline the enforcement process and improve timeliness of enforcement actions.
- Continue its progress in implementing the PwC audit recommendations. (For a detailed status report on the Commission's progress in implementing the PwC recommendations, see Appendix A.)
- In addition to supporting the initiatives above, develop and maintain enhanced computer capabilities, including:
  - \* conversion to a client server environment;
  - \* expansion of the FEC's website;
  - \* development of a Commission-wide document management system;
  - \* operation of case management systems in the Office of the General Counsel and the Audit Division; and
  - \* computer security improvements.

#### **Difference Between FY 2000 Appropriation and FY 2001 Request**

The total difference between the FY 2000 appropriation and the FY 2001 request is an increase of \$2,682,000, which reflects a modest net increase of 7.0% from the FY 2000 appropriation. Primarily, this increase reflects costs associated with the COLA and inflation adjustments for GSA rent and basic overhead, which total \$1,477,000. (See Table 1, p. 10) To this, we added \$745,000 for minor programmatic initiatives, making the FY 2001 request, as contained in the President's Budget, \$40,500,000 and 352 FTE. When the four additional FTE requested for the Commissioners is included, the request for the FEC is \$40,960,000 and 356 FTE.

One new staff member would be allocated to each of the four Commissioner offices that only have one EA. The second EA would serve as a back-up to the current EA to ensure that each Commissioner has a consistent staffing level to provide legal guidance to the Commissioner relating to ongoing compliance (enforcement, litigation, and audit) and the referral processes for those compliance activities. Over the past few years in particular, it has become virtually impossible for one person to manage the increased workload. The second EA would assist with the many new administrative tasks

the Commission is undertaking. These include the implementation of the PwC recommendations and participation on task forces and projects separate from PwC. For example, the Commissioners' offices are directly involved with working groups relating to:

- the Alternative Dispute Resolution (ADR) Program;
- Case Management (a computerized legal resource management system);
- PC Docs (a computer-based document management system);
- Electronic filing;
- Information Technology Enhancements;
- Title 2 "Audit for Cause" Program (streamlining and broadening the audit process);
- Audit Workflow and Tracking Steering Committee (a computerized resource management system);
- the Finance Committee;
- the Regulations Task Force; and
- the Litigation Committee.

The cost of the four staff in the Commissioners' offices is \$460,000, including support costs. The Commission is not requesting new additional staff resources in any other program area in FY 2001. The 4 FTE in additional staff resources would fall within the Commission Policy and Administration program. (There are some adjustments in staff allocations within the FY 2000 level of 352 FTE, and some other programmatic initiatives are funded in FY 2001, as further explained below.)

In addition, state and local elections officials have requested that the FEC update its previously issued voluntary VSS, which have proved invaluable to election administrators in selecting vote counting and recording equipment. The Commission has included an additional \$100,000 in contract funds for the Office of Election Administration, for a total of \$200,000 to complete the VSS update. This, added to the \$250,000 authorized in FY 1999, brings the multi-year cost for the VSS update to \$450,000 to complete this project. The Commission has also included an additional \$60,000 for the Office of Election Administration to fund a conference on the revised VSS and other election administration issues.

The Commission is reducing the base Audit staff from 43 FTE to 38 FTE, which represents the 5 FTE of Audit temporaries required for certifications of Presidential matching funds in the 2000 election cycle funded in FY 1999 and FY 2000. Though these temporaries will no longer be needed for certifications in FY 2001, the Commission urges that those 5 FTE be utilized to implement the PwC recommendation to upgrade the Title 2 Audit Program (\$177,000 and 3 FTE) and to assist with the implementation of the Alternative Dispute Resolution Project under the Staff Director (\$308,000 and 2 FTE).

The Commission has allocated an additional \$100,000, in addition to the \$250,000 included in the FY 2000 level, for legal document imaging and indexing to support the compliance program for major enforcement cases, including litigation efforts.

The final result is a modest 3.9% increase (\$1,477,000) for inflationary increases in pay and benefits, as well as support overhead. The programmatic increases, which require no additional FTE, represent another increase of \$745,000 or 1.9%, which brings the increase up to \$2,222,000 (5.8% total increase over FY 2000.) Factoring in the four FTE for the additional Commissioner EAs increases the total to \$2,682,000 and 7.0% compared to FY 2000. Tables 1 and 2 depict in greater detail the increases from FY 2000 to FY 2001.

TABLE 1 FEC FY 2000 TO FY 2001: SUMMARY DIFFERENCES

OBJECT CLASS	FY 2000 352 FTE	FROM 2000 INCREMENT	FY 2001 BASE 347*	FROM 2000 INCREMENT	FY 2001 352 FTE	FROM 2000 INCREMENT	FY 2001 352 FTE
PERSONNEL	25,911,000	1,389,000	27,300,000	1,695,000	27,606,000	2,075,000	27,986,000
IT PROJECTS	4,298,500	(229,500)	4,067,000	(229,500)	4,067,000	(229,500)	4,067,000
GSA RENT	3,315,000	330,000	3,645,000	330,000	3,645,000	330,000	3,645,000
DOJ DOCUMENT IMAGIN	250,000	-	250,000	100,000	350,000	100,000	350,000
OTHER NON-PERS.	4,505,500	(12,500)	4,493,000	328,500	4,832,000	408,500	4,812,000
NON-PERSONNEL	12,367,000	88,000	12,455,000	527,000	12,894,000	607,000	12,974,000
TOTAL FEC	38,278,000	1,477,000	39,755,000	2,222,000	40,800,000	2,682,000	40,960,000

\* "Base" of 347 FTE represents purely inflationary increases in pay and basic overhead costs, plus reduction of five FTE of temporary Audit staff for 2000 cycle certification program.

TABLE 2 FEC FY 2000 TO FY 2001: DETAILED DIFFERENCES

OBJECT CLASS	FY 2000 342 FTE	FROM 2000 INCREMENT	FY 2001 BASE 347*	FROM 2000 INCREMENT	FY 2001 342 FTE	FROM 2000 INCREMENT	FY 2001 358 FTE
SALARIES/BENF	25,541,000	1,345,000	26,886,000	1,545,000	27,186,000	2,026,000	27,566,000
OVERTIME	105,000	49,000	154,000	55,000	160,000	55,000	160,000
WITNESSES	5,000	-	5,000	-	5,000	-	5,000
CASH AWARDS	230,000	-	230,000	-	230,000	-	230,000
OTHER	30,000	(5,000)	25,000	(5,000)	25,000	(5,000)	25,000
PERSONNEL	25,911,000	1,389,000	27,300,000	1,695,000	27,606,000	2,075,000	27,966,000
21.01 TRAVEL	325,000	73,500	401,500	123,500	451,500	123,500	451,500
22.01 TRANS/THGS	107,000	(73,000)	34,000	(73,000)	34,000	(73,000)	34,000
23.11 GSA SPACE	3,315,000	330,000	3,645,000	330,000	3,645,000	330,000	3,645,000
23.21 COM. SPACE	31,500	(1,500)	30,000	(1,500)	30,000	(1,500)	30,000
23.31 EQUIP RENT	173,000	18,500	191,500	18,500	191,500	18,500	191,500
23.32 TELE LOCAL	175,000	(40,000)	135,000	(40,000)	135,000	(40,000)	135,000
23.33 LDIST/TELEG	30,000	3,000	33,000	3,000	33,000	3,000	33,000
23.34 TELE INTCTY	45,000	5,000	50,000	5,000	50,000	5,000	50,000
23.35 POSTAGE	185,000	15,000	180,000	15,000	180,000	15,000	180,000
24.01 PRINTING	305,500	49,000	354,500	64,000	389,500	64,000	389,500
24.02 MICROFILM	25,000	3,000	28,000	3,000	28,000	3,000	28,000
25.11 TRAINING	133,500	(1,500)	132,000	(1,500)	132,000	(1,500)	132,000
25.12 ADMIN EXP	104,000	-	104,000	-	104,000	-	104,000
25.13 DEP/TRANSC	56,000	20,000	76,000	20,000	76,000	20,000	76,000
25.21 CONTRACTS	2,482,000	(463,000)	2,029,000	(339,000)	2,153,000	(339,000)	2,153,000
25.23 REPAIR/MAIN	5,000	5,000	10,000	5,000	10,000	5,000	10,000
25.24 TUITION	5,000	-	5,000	-	5,000	-	5,000
25.31 FED AGENCY	627,000	(51,000)	578,000	169,000	796,000	169,000	796,000
25.41 FACIL MAINT	112,000	(62,000)	50,000	(62,000)	50,000	(62,000)	50,000
25.71 EQUIP/MAINT	236,500	-	236,500	-	236,500	-	236,500
25.72 SFT/HRDWRE	2,682,500	542,500	3,225,000	542,500	3,225,000	542,500	3,225,000
26.01 SUPPLIES	325,000	12,500	337,500	12,500	337,500	12,500	337,500
26.02 PUBS	200,500	(7,500)	193,000	(7,500)	193,000	(7,500)	193,000
26.03 PUBS SERV	197,000	11,500	198,500	11,500	198,500	11,500	198,500
31.01 EQP PURCH	501,000	(301,000)	200,000	(271,000)	230,000	(181,000)	310,000
NON-PERSONNEL	12,367,000	88,000	12,455,000	627,000	12,894,000	607,000	12,974,000
TOTAL FEC	38,278,000	1,477,000	39,755,000	2,222,000	40,600,000	2,682,000	40,980,000

\* "Base" of 347 FTE represents purely inflationary increases in pay and basic overhead costs, plus reduction of five FTE of temporary Audit staff for 2000 cycle certification program.

### FEC Staffing and Budget History

Despite large increases in Commission workloads due to ever-increasing federal election related campaign finance activity, the FEC has been relying on improvements in productivity, management initiatives, and technological advances to cope rather than adding staff for those purposes. We expect new record levels of campaign finance activity in the 2000 election cycle. The FEC anticipates over \$3 billion in total disbursements for federal campaigns—from some 8,000 committees, filing over 80,000

reports in the 2000 election cycle—generating over 2 million itemized transactions in the FEC Disclosure Database. Additional efficiencies realized from mandatory electronic filing will help keep staffing needs at current levels in the disclosure program. The Commission has coped with new records for total campaign finance activity in presidential and congressional elections each election cycle since 1992. Once again, early projections indicate that the 2000 election cycle will set a new record level for total disbursements in federal campaigns. This, in turn, will create new record workload levels for many of the FEC programs.

Table 3 depicts FEC staffing by Office and Division from FY 1995 through FY 2000 (planned). Past staff levels are compared to the FY 2001 budget request.

TABLE 3: FEC HISTORICAL FTE								
OFFICE 01-Feb-99	FY 95 ACTUAL 30-Sep	FY 96 ACTUAL 30-Sep	FY 97 ACTUAL 30-Sep	FY 98 ACTUAL 30-Sep	FY 99 ACTUAL 30-Sep	FY 2000 MPLAN 01-Oct	FY 2001 INCREM. 01-Nov	FY 2001 REQUEST 01-Nov
COMMISSIONERS	19.1	16.3	16.6	15.2	17.6	20.0	4.0	24.0
STAFF DIRECTOR *	26.1	25.8	24.0	23.4	22.9	24.0	2.0	26.0
ADMINISTRATION	19.2	20.0	19.5	18.5	20.4	21.0		21.0
AUDIT	31.3	37.3	33.6	31.8	34.3	43.0	(2.0)	41.0
INFORMATION	13.5	12.7	12.9	12.2	11.9	13.0		13.0
GENERAL COUNSEL	104.3	95.3	92.8	99.4	107.8	118.0		118.0
OEI	6.0	5.2	4.8	4.8	4.9	5.0		5.0
DATA SYSTEMS	35.0	30.7	31.8	30.6	34.1	39.0	0.5	39.5
PUBLIC DISCLOSURE	14.6	14.6	12.5	13.5	13.3	14.0		14.0
REPORTS ANALYSIS	41.9	40.4	39.0	39.6	38.9	42.0		42.0
I.G. OFFICE	3.8	4.0	4.0	3.7	4.0	4.0		4.0
<b>SUBTOTAL</b>	<b>314.8</b>	<b>302.3</b>	<b>290.9</b>	<b>292.7</b>	<b>310.1</b>	<b>343.0</b>	<b>4.5</b>	<b>347.5</b>
IT ENHANCEMENT	N.A.	6.2	6.2	10.0	12.0	8.5		8.5
<b>TOTAL</b>	<b>314.8</b>	<b>308.5</b>	<b>296.7</b>	<b>302.7</b>	<b>322.1</b>	<b>351.5</b>	<b>4.5</b>	<b>356.0</b>

\* Staff Director staffing includes 2 FTE for the Alternative Dispute Resolution (ADR) project in FY 2001.

Table 4A provides an historical view of the FEC's budget, allocated among its organizational units.

TABLE 4A: COMMISSION ORGANIZATIONAL UNITS						
FY 1996-2001						
DIVISION/OFFICE	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000 *	FY 2001
01-Nov-99	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ENACTED	FEC REQUEST
	308.5 FTE	306.9 FTE	302.7 FTE	322.1 FTE	351.5 FTE	358 FTE
COMMISSIONERS	\$ 1,652,437	\$ 1,612,216	\$ 1,657,033	\$ 1,959,391	\$ 2,278,000	\$ 2,748,000
STAFF DIRECTOR	\$ 1,928,607	\$ 1,915,353	\$ 1,979,493	\$ 2,109,166	\$ 2,329,500	\$ 2,605,500
SDO/COM. SEC.	824,883	781,878	847,863	875,818	1,128,500	1,347,000
PLANNING/BUDGET	187,587	168,702	148,505	117,879	202,500	216,000
PERSONNEL	443,578	485,775	444,398	480,978	424,000	433,000
PRESS	401,852	407,984	446,998	489,233	463,500	488,000
EEO	89,227	81,238	91,737	85,280	113,000	120,500
ADMINISTRATION	\$ 4,803,343	\$ 4,831,900	\$ 5,281,672	\$ 6,933,574	\$ 6,037,500	\$ 6,565,500
AUDIT	\$ 2,216,413	\$ 2,369,213	\$ 2,294,643	\$ 2,505,010	\$ 3,078,000	\$ 3,382,000
INFORMATION	\$ 921,093	\$ 965,088	\$ 984,001	\$ 962,718	\$ 1,093,500	\$ 1,188,000
GENERAL COUNSEL	\$ 7,012,057	\$ 7,789,351	\$ 8,839,811	\$ 9,782,429	\$ 10,548,000	\$ 11,381,000
OEA	\$ 492,340	\$ 523,983	\$ 530,507	\$ 759,682	\$ 618,500	\$ 823,500
DATA SYSTEMS	\$ 2,669,968	\$ 2,746,688	\$ 2,753,853	\$ 3,317,844	\$ 3,792,000	\$ 3,879,000
PUBLIC DISCLOSURE	\$ 885,013	\$ 733,837	\$ 806,102	\$ 812,399	\$ 883,500	\$ 920,000
RAD	\$ 1,738,233	\$ 1,805,860	\$ 1,856,679	\$ 1,946,128	\$ 2,145,000	\$ 2,200,000
IG	\$ 246,192	\$ 268,200	\$ 278,484	\$ 319,507	\$ 348,000	\$ 368,000
CASH AWARDS	\$ -	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000
IT/EF/INTERNET	\$ 1,912,498	\$ 2,581,725	\$ 2,935,915	\$ 4,380,604	\$ 4,896,500	\$ 4,688,500
LAPSE	\$ 14,810	\$ 21,608	\$ 724,017	\$ 1,022,572		
TOTAL	\$ 26,491,000	\$ 28,185,000	\$ 30,900,000	\$ 36,791,000	\$ 38,278,000	\$ 40,960,000
BUDGETS FOR THE SDO COMPONENTS ARE SUBTOTALS OF THE SDO TOTAL.						

\* FY 2000 includes a carryover of \$270,000 from FY 1999, approved by Congress and OMB.

Table 4B is an historical summary of the Commission's budget, by object class.

TABLE 4B: OBJECT CLASS SUMMARY						
OBJECT CLASS	FY 1997	FY 1998	FY 1999	FY 2000 *	FY 2000	FY 2001
01-Nov-99	ACTUAL	ACTUAL	ACTUAL	PLANNED	TO FY 2001	FEC REQUEST
	Sep-97	Sep-98	Sep-99	351.5 FTE	INCREMENT	356 FTE
SALARIES AND BENEFITS	16,654,291	18,089,170	22,235,004	25,541,000	2,025,000	27,566,000
OVERTIME	73,240	130,514	192,035	105,000	55,000	180,000
WITNESSES	997	1,569	-	5,000	-	5,000
CASH AWARDS	170,789	187,158	230,357	230,000	-	230,000
OTHER	27,146	27,000	31,360	30,000	(5,000)	25,000
TOTAL PERSONNEL	18,926,472	19,435,411	22,686,756	25,911,000	2,075,000	27,986,000
21.01 TRAVEL	248,074	164,027	232,492	328,000	123,500	451,500
22.01 TRANS. OF THINGS	23,312	31,511	100,510	107,000	(73,000)	34,000
23.11 GSA SPACE	2,514,448	2,484,470	3,088,301	3,315,000	330,000	3,845,000
23.21 COMMERCIAL SPACE	24,000	25,000	28,670	31,500	(1,500)	30,000
23.31 EQUIPMENT RENTAL	185,934	101,117	166,278	173,000	18,500	191,500
23.32 TELEPHONE LOCAL	172,940	223,534	218,199	175,000	(40,000)	135,000
23.33 LONG DIST./TELEG.	29,070	19,789	25,725	30,000	3,000	33,000
23.34 TELEPHONE INTERCY.	51,050	37,500	38,874	45,000	5,000	50,000
23.35 POSTAGE	204,730	217,163	179,847	165,000	15,000	180,000
24.01 PRINTING	238,920	280,578	220,533	305,500	84,000	369,500
24.02 MICROFILM PRINTS	20,833	16,664	22,644	25,000	3,000	28,000
25.11 TRAINING	58,791	95,251	218,368	133,500	(1,500)	132,000
25.12 ADMIN. EXPENSES	45,116	122,398	162,092	104,000	-	104,000
25.13 DEPOSITIONS/TRANS.	55,833	41,323	37,819	58,000	20,000	76,000
25.21 CONTRACTS/OTHER	2,432,487	2,162,292	2,746,609	2,482,000	(339,000)	2,153,000
25.23 OTHER REP./MAINT.	4,400	3,281	3,176	5,000	5,000	10,000
25.24 TUITION	3,080	1,333	-	5,000	-	5,000
25.31 FED. AGENCY SERV.	523,216	1,102,782	1,472,768	627,000	189,000	796,000
25.41 FACIL. MAINT.	49,720	145,273	144,502	112,000	(62,000)	50,000
25.71 EQUIP. REP./MAINT.	198,055	216,982	210,190	236,500	-	236,500
25.72 SOFT/HARDWARE	351,948	381,710	2,094,699	2,682,500	542,500	3,225,000
26.01 SUPPLIES AND MAT.	307,364	345,497	298,194	325,000	12,500	337,500
26.02 PUBLICATIONS	137,338	142,463	187,396	200,500	(7,500)	193,000
26.03 PUBLICATIONS SERV.	116,887	107,890	179,919	187,000	11,500	198,500
31.01 EQUIP. PURCHASES	710,637	1,130,979	1,005,847	501,000	(191,000)	310,000
NON-PERSONNEL TOTAL	8,707,983	9,580,767	13,079,672	12,367,000	807,000	12,974,000
LAPSE END OF FY	21,806	724,017	1,022,572			
TOTAL FEC	27,656,081	29,740,195	36,791,000	38,278,000	2,882,000	40,960,000

\* FY 2000 includes a carryover of \$270,000 from FY 1999, approved by Congress and OMB.



## **Program/Objective Analysis<sup>12</sup>**

### **Mission**

The Commission's budget stems from its fundamental mission: to administer and enforce the three main components of the Federal Election Campaign Act of 1971, as amended (FECA):

- The disclosure of campaign finance information;
- Contribution limits and prohibitions; and
- The public financing of Presidential elections.<sup>13</sup>

Additionally, following the mandate of the statute, the Commission's mission includes serving as a clearinghouse for the compilation of information and review of procedures with respect to the administration of federal elections.

### **Programs**

To accomplish this mission, the Commission has established six major programs—core programs and management programs.

The core programs are:

- Promoting Disclosure;
- Obtaining Compliance with the Federal Election Campaign Act (FECA);
- Administering the Public Financing of Presidential Elections; and
- Election Administration

The management programs are:

- Special IT/Electronic Filing Projects; and
- Commission Policy and Administration

Within each of the core programs, the Commission has defined specific objectives. To achieve these objectives, the Commission must accomplish certain goals, which are also defined. To the extent that the agency succeeds in reaching these goals and objectives, it will fulfill its fundamental mission.

The next few pages describe the objectives and related goals, and explain how the requested budget will enable the Commission to achieve those goals. A series of tables supplement the explanation.

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<sup>12</sup> This analysis is based on the Commission's Strategic Plan and FY 2001 Performance Plan, submitted under the Government Performance and Results Act (GPRA). For more information on the Strategic Plan and the Performance Plan, see Appendices B and C.

<sup>13</sup> Public funding of Presidential elections has three components: matching funds for qualified Presidential primary candidates; public grants for the Presidential nominees of major and minor parties; and public grants to major parties to run their national Presidential nominating conventions.

## Overview of FEC Programs

Tables 5A, 5B, and 5C provide an overview of the FEC's budget, by program. Table 5A shows the total dollars budgeted for each program; Table 5B distinguishes between personnel and nonpersonnel costs; and Table 5C shows the personnel (FTE) for each program. Tables 5A and 5C indicate what percentage of the total budget request each program represents.

TABLE 5A: COMMISSION BUDGET BY PROGRAM COSTS						
FY 1999-2001						
PROGRAM	FY 1999		FY 2000		FY 2001	
	\$	FEC %	\$	FEC %	\$	FEC %
PROMOTE DISCLOSURE	\$ 7,088,605	20%	\$ 7,588,880	20%	\$ 7,974,215	19%
OBTAIN COMPLIANCE	\$ 9,349,136	26%	\$ 9,180,853	24%	\$ 10,259,783	25%
PUBLIC FINANCING	\$ 1,773,465	5%	\$ 3,519,292	9%	\$ 3,382,353	8%
ELECTIONS ADMIN.	\$ 759,682	2%	\$ 818,500	2%	\$ 823,500	2%
IT/EF PROJECTS	\$ 4,360,604	12%	\$ 4,896,500	13%	\$ 4,689,500	11%
COMM. POLICY/ADMIN.	\$ 12,438,958	35%	\$ 12,473,975	33%	\$ 13,830,649	34%
COMMISSION TOTAL	\$ 35,768,428		\$ 38,278,000		\$ 40,960,000	

TABLE 5B: COMMISSION BUDGET BY PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
PROMOTE DISCLOSURE	\$ 5,823,015	\$ 6,298,861	\$ 6,952,501	\$ 1,265,590	\$ 1,292,319	\$ 1,310,714	\$ 7,088,605	\$ 7,588,880	\$ 7,974,215
OBTAIN COMPLIANCE	\$ 8,013,441	\$ 8,110,785	\$ 9,098,470	\$ 1,335,694	\$ 1,075,069	\$ 1,231,313	\$ 9,349,136	\$ 9,180,853	\$ 10,259,783
PUBLIC FINANCING	\$ 1,494,882	\$ 3,166,265	\$ 3,018,073	\$ 278,613	\$ 390,026	\$ 363,280	\$ 1,773,465	\$ 3,519,292	\$ 3,382,353
ELECTIONS ADMIN.	\$ 433,863	\$ 481,800	\$ 491,500	\$ 326,798	\$ 332,000	\$ 342,000	\$ 759,682	\$ 818,500	\$ 823,500
IT/EF PROJECTS	\$ 744,655	\$ 600,000	\$ 622,500	\$ 3,615,739	\$ 4,296,500	\$ 4,067,000	\$ 4,360,604	\$ 4,896,500	\$ 4,689,500
COMM. POLICY/ADMIN.	\$ 9,108,720	\$ 7,292,996	\$ 8,190,088	\$ 3,240,235	\$ 5,181,077	\$ 5,682,854	\$ 12,438,958	\$ 12,473,975	\$ 13,830,649
COMMISSION TOTAL	\$ 22,808,755	\$ 28,911,000	\$ 27,985,000	\$ 10,078,072	\$ 12,367,000	\$ 12,974,000	\$ 35,768,428	\$ 38,278,000	\$ 40,960,000

TABLE 5C: COMMISSION BUDGET BY PROGRAM FTE						
FY 1999-2001						
PROGRAM	FY 1999		FY 2000		FY 2001	
	FTE	FEC %	FTE	FEC %	FTE	FEC %
PROMOTE DISCLOSURE	98.2	30%	103.5	29%	104.5	29%
OBTAIN COMPLIANCE	105.7	33%	104.0	30%	108.0	30%
PUBLIC FINANCING	20.1	6%	44.0	13%	37.5	11%
ELECTIONS ADMIN.	4.9	2%	5.0	1%	5.0	1%
IT/EF PROJECTS	12.0	4%	8.5	2%	8.5	2%
COMM. POLICY/ADMIN.	81.2	25%	86.5	25%	92.5	26%
COMMISSION TOTAL	322.1		351.5		358.0	

## **Program I: Disclosure (Core Program)**

### **Objectives**

With regard to the Disclosure Program, the Federal Election Commission seeks to:

- Review and process the financial reports (filed by political committees)—and the data taken from those reports—accurately and timely.
- Make the reports and data readily accessible to the public, the media and the regulated community.
- Educate the public, the media and the regulated community about the legal requirements pertaining to disclosure, contributions limits and prohibitions, and the public financing of Presidential elections—the core elements of the Federal Election Campaign Finance Law.

### **Goals**

To achieve the objectives described above, the Commission will strive to accomplish the goals listed below. More quantitative performance measures are included in the pertinent sections of the FEC Strategic Plan and FY 2001 Performance Plan appended to this justification (Appendices B and C).

#### *Review and Processing of Reports*

To achieve the accurate and timely review and processing of all reports, the Commission will:

- Facilitate the electronic filing of reports by all political committees reaching a certain threshold, other than Senate committees and the national parties' Senate campaign committees.
- Continue to meet the 48-hour deadline for placing reports (filed by political committees) on the public record.
- Review all reports filed for accuracy and complete disclosure.
- Review 60 percent of reports within 90 days of receipt at the FEC.
- Encourage filers to voluntarily correct the public record by sending them, when appropriate, requests for additional information (RFAs).
- Code and enter into the FEC's database the information contained in 95 percent of reports within 45 days of receipt at the FEC. (For the 2000 cycle to date, 95% of all reports have been entered within 22 days of receipt at the Commission; for the 1998 cycle it is 23 days to date).
- Monitor progress of the project to review reporting formats and forms and to standardize reporting.

#### *Public Disclosure and Dissemination of Campaign Finance Data*

To ensure that the campaign finance data are widely distributed, the FEC will:

- Provide the public with Internet access to its disclosure database and digital images of the reports themselves (except those of Senate candidates).

- Operate a store-front Public Records Office where reports and data are available in paper, microfilm and digital images (scanned from original reports) and where the public can access the disclosure data base.
- Operate a Press Office to assist the media in the wide disclosure and dissemination of campaign finance data.
- Compile and release comprehensive statistical information, based on the reports filed by political committees (e.g., using the Internet and news releases).

### *Education About the Law*

To ensure that the public, the media and the campaign community fully understand the federal election law, and that information about the law is readily available, the FEC will:

- Operate an 800 telephone line and maintain a well-informed staff to answer phone inquiries about the FEC and federal election law.
- Produce educational and information brochures and booklets to supplement the FEC's Annual Reports.
- Make FEC publications available to the public through the FEC's Website, an automated fax service and the U.S. mail.
- Conduct technical workshops on the law throughout the country.
- Provide policy guidance through the timely release of Advisory Opinions.
- Review and revise FEC regulations to clarify federal election law.

### **Summary**

The resources needed to meet the objectives and goals of the Disclosure Program in FY 2001 are summarized in Tables 6A and 6B.

TABLE 6A DISCLOSURE PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
PUBLIC DISCLOSURE	\$ 627,293	\$ 696,000	\$ 731,800	\$ 185,108	\$ 186,600	\$ 186,600	\$ 812,401	\$ 882,600	\$ 918,400
DATA SYSTEMS	\$ 1,241,442	\$ 1,276,867	\$ 1,404,078	\$ 660,652	\$ 717,200	\$ 660,600	\$ 1,902,094	\$ 1,993,667	\$ 2,064,678
INFORMATION	\$ 770,939	\$ 833,000	\$ 888,000	\$ 191,777	\$ 260,600	\$ 303,000	\$ 962,716	\$ 1,093,600	\$ 1,191,000
PRESS OFFICE	\$ 406,789	\$ 426,000	\$ 447,800	\$ 76,474	\$ 38,500	\$ 41,600	\$ 483,263	\$ 464,500	\$ 489,400
OGC POLICY/REGS/AD'S	\$ 1,140,221	\$ 1,234,449	\$ 1,320,960	\$ 102,256	\$ 74,818	\$ 78,614	\$ 1,242,477	\$ 1,309,267	\$ 1,399,574
REPORTS ANALYSIS	\$ 1,693,360	\$ 1,830,214	\$ 1,874,538	\$ 48,312	\$ 16,000	\$ 18,000	\$ 1,741,672	\$ 1,846,214	\$ 1,892,538
PROGRAM TOTAL	\$ 5,823,016	\$ 6,266,531	\$ 6,863,801	\$ 1,268,803	\$ 1,292,319	\$ 1,210,714	\$ 7,091,819	\$ 7,558,850	\$ 8,074,515
COMMISSION PERCENT	20%	24%	24%	10%	10%	10%	20%	20%	19%

TABLE 6B: DISCLOSURE PROGRAM FTE						
FY 1999-2001						
OFFICE/DIVISION	FY 1999		FY 2000		FY 2001	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
PUBLIC DISCLOSURE	13.3	100%	14.0	100%	14.0	100%
DATA SYSTEMS	20.0	59%	20.0	51%	21.0	53%
INFORMATION	11.9	100%	13.0	100%	13.0	100%
PRESS OFFICE	5.0	100%	5.0	100%	5.0	100%
OGC POLICY/REGS/AO'S	14.2	14%	15.0	13%	15.0	12%
REPORTS ANALYSIS	33.8	87%	36.5	87%	36.5	87%
PROGRAM TOTAL	98.2		103.5		104.5	
COMMISSION PERCENT	30%		29%		29%	

## Program II: Compliance (Core Program)

### Objectives

The FEC's compliance program is premised on the belief that the Commission's first responsibility is to foster a willingness, on the part of the regulated community, to voluntarily comply with the law's reporting requirements, fundraising restrictions and public funding statutes. The Commission encourages voluntary compliance through education (described under the Disclosure Program, p. 17). To buttress its educational efforts, the Commission carries out a Compliance Program whose objectives are:

- Conducting desk audits of every report;
- Auditing those committees whose reports fail to meet threshold requirements for substantial compliance with the FECA; and
- Enforcing the law, in a timely and fair way, against persons who violate the law.

### Goals

For each of these objectives, the Commission defines the following associated goals.

#### *Desk Audits*

The Commission will:

- Conduct a desk audit of every report, primarily to encourage the regulated community to clarify the public record in those instances where information is inaccurate or incomplete.
- Refer nonfilers and late filers for enforcement action by the Office of General Counsel, as necessary.
- Refer those filers who fail to comply with the FECA's disclosure requirements or contribution limitations or restrictions—and who fail to voluntarily correct their reports—for an audit and/or enforcement action, if necessary.

### *Audits*

In those cases where reports indicate that committees have failed to meet the threshold requirements for substantial compliance with the FECA—and have failed to voluntarily correct errors or omissions on their reports—the Commission will conduct about 40-45 audits “for cause” for the 2000 election cycle, pursuant to 2 U.S.C. §438(b).

As noted on page 7, three additional auditors are needed in FY 2001 to implement the PwC recommendation for a Title 2 Audit “For Cause” Program. Two FTE’s will allow the Audit Division to hire eight part-time student interns; one FTE is for a permanent auditor position. These part-time staff also will assist the auditors in performing Title 26 audits of Presidential committees that receive public funds. This proposal, along with other procedural changes, will allow the Audit Division to conduct approximately 40-45 Title 2 audits per cycle, as opposed to current resources allowing 20-25 per cycle. Over the last four cycles (1991-92 through 1997-98) an average of 9 authorized and 12 non-authorized committees have been slated for audit. This budget also will allow the Commission to meet its goal of completing the Title 26 Presidential audits within two years after the 2000 elections.

### *Enforcement*

Because the bulk of the Commission’s caseload arises from complaints filed by parties outside the agency, the total caseload figure is not affected by the number of FTE in enforcement. The number of FTE affects the proportion of the total enforcement caseload that can be handled substantively, as well as the proportion of the caseload that is active vs. inactive. (A substantive finding is a finding based on the merits of the matter, as distinguished from dismissed simply for being a low-priority or stale case, including findings of “no reason-to-believe the FECA has been violated.”)<sup>14</sup>

In past budget requests, the Commission has asked for additional resources for its compliance program. During FY 2000, Congress provided 4 additional FTE for compliance—3 FTE were allocated to OGC and 1 to Audit.

The Commission is not seeking additional staff resources, above 352 FTE, for its compliance programs in this budget request. Instead, OGC expects to maintain current performance levels. It is important to note, however, that maintaining staffing levels from FY 2000 will limit OGC’s capability to handle new major cases that may arise from the 2000 cycle. We anticipate that some unresolved major cases from the 1996 cycle will be dropped due to statute of limitation considerations, but that work on 4 or 5 major cases will continue through FY 2000 and FY 2001.

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<sup>14</sup> There is a significant difference between a low-priority or stale case dismissal and a finding of no “reason to believe” the law has been violated. A finding of no “reason to believe” reflects affirmative Commission action based on its consideration of the merits of the particular matter. A low-priority or stale dismissal, on the other hand, reflects action by the Commission based on application of the Enforcement Priority System criteria to determine whether the case merits the use of the Commission’s limited resources.

To reach the objective of enforcing the law in a timely and fair way, the Commission plans to:

- Maintain a monthly average active caseload of at least 40 percent of the total caseload.
- Close an estimated 225 cases. The Commission will close 40 percent of those cases through substantive Commission action.
- Initiate from 10 to 15 civil actions under 2 U.S.C. 437g(a)(6) to enforce the FECA.
- Maintain the Enforcement Priority System (EPS),<sup>15</sup> a system through which the Commission identifies and assigns the more significant enforcement cases to staff, disposes of the less significant cases rapidly, and manages limited staff resources.
- Conclude some or all of the major cases involving complex legal issues<sup>16</sup>—including those remaining from earlier election cycles (1996 and 1998) and those stemming from the 2000 cycle.

### Summary

The resources needed to meet the objectives and goals of the Compliance Program in FY 2001 are summarized in Tables 7A and 7B. We are requesting resources to maintain current performance levels; no additional resources are sought for the compliance program.

TABLE 7A: COMPLIANCE PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
REPORTS ANALYSIS	\$ 248,454	\$ 275,789	\$ 282,454	\$ 20,000	\$ 23,000	\$ 25,000	\$ 268,454	\$ 298,789	\$ 307,454
DATA SYSTEMS	\$ 51,039	\$ 127,580	\$ 167,152	\$ 300,298	\$ 326,000	\$ 300,500	\$ 351,337	\$ 453,580	\$ 467,652
AUDIT	\$ 1,681,537	\$ 1,041,384	\$ 1,458,048	\$ 122,362	\$ 85,126	\$ 111,220	\$ 1,803,900	\$ 1,126,510	\$ 1,569,268
OGC ENFORCEMENT	\$ 4,118,250	\$ 4,526,514	\$ 4,943,350	\$ 350,480	\$ 273,802	\$ 200,000	\$ 4,468,730	\$ 4,799,316	\$ 5,143,350
OGC LITIGATION	\$ 1,836,064	\$ 1,810,525	\$ 1,957,305	\$ 145,922	\$ 106,441	\$ 116,563	\$ 1,981,986	\$ 1,916,966	\$ 2,073,868
OGC PREP	\$ 297,100	\$ 328,188	\$ 352,237	\$ 25,848	\$ 19,868	\$ 21,017	\$ 322,948	\$ 348,056	\$ 373,254
LEI DOCUMENT MAKING				\$ 350,000	\$ 250,000	\$ 380,000	\$ 350,000	\$ 250,000	\$ 380,000
PROGRAM TOTAL	\$ 8,019,441	\$ 8,110,796	\$ 8,038,490	\$ 1,335,504	\$ 1,079,239	\$ 1,221,313	\$ 9,354,945	\$ 9,189,035	\$ 9,259,803
COMMISSION PERCENT	38%	31%	32%	10%	9%	9%	26%	24%	28%

<sup>15</sup> Under EPS, OGC evaluates enforcement cases based on carefully crafted, Commission-approved criteria to determine the relative significance of the allegations. EPS is a tool to match the seriousness of a particular case to the resources available to undertake an investigation of the matter.

<sup>16</sup> Examples of complex legal issues include possible "soft money" abuse, claims of improper coordination or express advocacy, and alleged laundered and/or foreign contributions.

<b>TABLE 7B: COMPLIANCE PROGRAM FTE</b>						
<b>FY 1999-2001</b>						
<b>OFFICE/DIVISION</b>	<b>FY 1999</b>		<b>FY 2000</b>		<b>FY 2001</b>	
	<b>FTE</b>	<b>DIV. %</b>	<b>FTE</b>	<b>DIV. %</b>	<b>FTE</b>	<b>DIV. %</b>
REPORTS ANALYSIS	5.1	13%	5.5	13%	5.5	13%
DATA SYSTEMS	0.5	1%	2.0	5%	2.5	6%
AUDIT	24.7	72%	15.5	36%	19.0	46%
OGC ENFORCEMENT	51.3	48%	55.0	47%	55.0	47%
OGC LITIGATION	20.4	19%	22.0	19%	22.0	19%
OGC PFESP *	3.7	3%	4.0	3%	4.0	3%
LSI DOCUMENT IMAGING**						
PROGRAM TOTAL	105.7		104.0		108.0	
COMMISSION PERCENT	33%		30%		30%	

\*OGC PFESP stands for the General Counsel's Public Financing, Ethics, and Special Projects staff.

\*\*Department of Justice contract for legal document imaging and indexing.

### **Program III: Public Financing (Core Program)**

#### **Objectives**

Under the Public Financing Program, the Commission seeks to:

- Certify the eligibility of Presidential candidates and committees for federal payments in a timely and accurate fashion.
- Help ensure that U.S. Treasury payments to certified committees are accurate and on time.
- Promote public trust by ensuring that all public monies are accounted for and expended in compliance with the FECA.

#### **Goals**

To reach the objectives described above, the Commission will:

- Complete all public funding audits within two years of the 2000 Presidential general election.
- Successfully resolve all enforcement cases within the statutory time limits.
- Process the certifications quickly and accurately. (The bulk of these will be completed by the end of FY 2000.)

#### **Summary**

For FY 2001, the resources needed to implement the public financing program in the 2000 election cycle are summarized in Tables 8A and 8B.



TABLE 8A: PUBLIC FINANCING PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
AUDIT	\$ 659,863	\$ 1,847,918	\$ 1,585,051	\$ 47,588	\$ 120,672	\$ 128,790	\$ 707,451	\$ 1,968,590	\$ 1,713,841
DATA SYSTEMS	\$ 8,207	\$ 159,447	\$ 100,281	\$ 199,154	\$ 169,830	\$ 160,940	\$ 187,361	\$ 329,277	\$ 261,221
OGC PFESP	\$ 836,082	\$ 1,152,153	\$ 1,232,831	\$ 74,902	\$ 65,844	\$ 73,899	\$ 910,983	\$ 1,217,997	\$ 1,305,930
PROGRAM TOTAL	\$ 1,494,152	\$ 3,159,518	\$ 2,918,163	\$ 278,619	\$ 356,346	\$ 363,629	\$ 1,773,495	\$ 3,515,864	\$ 3,280,992
COMMISSION PERCENT	7%	12%	11%	2%	3%	3%	8%	9%	8%

TABLE 8B: PUBLIC FINANCING PROGRAM FTE						
FY 1999-2001						
OFFICE/DIVISION	FY 1999		FY 2000		FY 2001	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
AUDIT	9.8	28%	27.5	64%	22.0	54%
DATA SYSTEMS	0.1	0%	2.5	6%	1.5	4%
OGC PFESP *	10.4	10%	14.0	12%	14.0	12%
PROGRAM TOTAL	20.1		44.0		37.5	
COMMISSION PERCENT	6%		13%		11%	

- \* OGC PFESP stands for the General Counsel's Public Financing, Ethics, and Special Projects staff.

#### Program IV: Election Administration (Core Program)

##### Objectives

Through the FEC's Office of Election Administration, the agency will:

- Carry out its statutory responsibilities under the National Voter Registration Act (NVRA) to help improve the national level of voter registration.
- Help ensure that state and local election officials receive informational and educational assistance in administering federal elections in an efficient and effective manner.
- Foster public confidence in the fairness and reliability of the polling process in federal elections.

##### Goals

To realize the objectives described above the Commission, through the FEC's Office of Election Administration, will:

- Grant and oversee research contracts on issues of concern to election administrators.
- Assist state election officials in implementing the NVRA, collect data on the impact of that law on election administration, and report to Congress thereon by June 30, 2001.
- Serve as an on-call resource to election officials with immediate needs for technical and legal information.

- Help state and local election officials adapt to changing technology and legal requirements.
- Revise the Voting Systems Standards, originally issued in 1990; revision initiated in FY 1999 (\$250,000 authorized in FY 1999 for a total multi-year cost of \$450,000 for this project).
- Contract for a report on the Administrative Structure of Election Offices: Issues and Options (local election offices see a high rate of turnover in most elections.) This project will be funded in FY 2001 if money becomes available.

### Summary

Resources needed to reach these goals in FY 2001 are summarized in Table 9A and 9B.

TABLE 9A: ELECTIONS ADMINISTRATION PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
ELECTIONS ADMIN.	\$ 423,000	\$ 481,600	\$ 481,500	\$ 338,750	\$ 187,000	\$ 342,000	\$ 761,750	\$ 668,600	\$ 823,500
PROGRAM TOTAL	\$ 423,000	\$ 481,600	\$ 481,500	\$ 338,750	\$ 187,000	\$ 342,000	\$ 761,750	\$ 668,600	\$ 823,500
COMMISSION PERCENT	2%	2%	2%	3%	1%	3%	2%	2%	2%

TABLE 9B: ELECTIONS ADMINISTRATION PROGRAM FTE						
FY 1999-2001						
OFFICE/DIVISION	FY 1999		FY 2000		FY 2001	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
ELECTIONS ADMIN.	4.9	100%	5.0	100%	5.0	100%
PROGRAM TOTAL	4.9		5.0		5.0	
COMMISSION PERCENT	2%		1%		1%	

### Program V: IT and Electronic Filing Projects (Management Program)

The Commission will allocate \$4,689,500 of its FY 2001 budget request to fund enhanced IT initiatives and the electronic filing program. This amount, which is provided for in the FEC's IT Strategic Plan, represents a decrease of \$229,500 from the FY 2000 IT budget of \$4,896,500 (original budget of \$4,766,500 supplemented by \$130,000 in carryover funds from FY 1999).

#### Internal IT Enhancements

Under the current Budget Request, the agency will continue to implement and expand upon the IT enhancements initiated in previous years, including:

- Computer Security
- World Wide Web
- Document Management
- Client/Server Development and Conversion

### *Computer Security*

Under the FY 2001 budget, the agency will further develop the security protecting the agency's computer operations (originally contracted in FY 2000), particularly those operations that are Web-based. As these operations expand through the World Wide Web, the Commission will continue to be vigilant about ensuring the integrity of the data.

### *World Wide Web*

In FY 2001, the Commission will continue its work on its web site upgrade (originally contracted in FY 2000). The agency's current web site comprises two parts: a static part and an interactive part. In the static part, the agency posts its publications, documents, press releases and other announcements. The interactive part permits all users to select and view images of financial reports filed with the FEC, and it allows the public to search a database consisting of information filed by political committees. For example, with the interactive inquiry system, initiated in FY 1998, anyone with a computer and modem can search for and identify contributions to specific candidates by the name of the contributor and the date and amount of the contribution.

Under the FY 2001 initiative, the agency will continue its efforts to make the site more user friendly in terms of convenience, scope and depth.

### *Document Management*

Document management involves several components:

- Imaging those documents which have not been transmitted electronically (e.g., legal documents submitted to the FEC)
- Organizing and storing documents (i.e., integrating internal electronic documents with images of other material)
- Reviewing documents and developing search and retrieval methods for all materials

The process involves scanning images of documents into the computer and then organizing the imaged documents so they can be easily retrieved and reviewed

### *Client/Server Strategy, Development and Data Conversion*

For many years, the Commission relied on a terminal-based computer system. Under this system, one central location served as the site where all data was stored and where all processing occurred. In 1995, the Commission took its first steps to migrate from a terminal-based system to a Client/Server environment.

In FY 2002, the Commission will complete the transition from the terminal-based software to the new Client/Server-based system, which was initiated in FY 1999. It will also complete the conversion of data to the new system. This process involves conversion of several million data records, along with thousands of programs used to retrieve and display information contained in the Commission's data bases.

## Electronic Filing

### *Progress to Date*

By the start of 1998, the Commission's full electronic filing system was in place, and has been optional for any political committee, other than Senate committees and the national parties' Senate campaign committees.<sup>17</sup> The mandatory electronic filing provision in the FY 2000 Treasury and General Government Appropriations bill requires the FEC to establish thresholds for mandatory electronic filing for committees, effective for the 2002 election cycle. This means activity beginning on January 1, 2001. The Commission anticipates that the related rulemaking will be implemented by December 2000. In the meantime, the FEC has developed the capability to handle all electronically filed reports.

More precisely, the agency has :

- Defined the structure of the program.
- Defined the mechanisms by which committees could electronically file their reports: by diskette, by modem and through the Internet.
- Established the infrastructure to both receive and validate the reports filed.
- Implemented a system for automatically placing the electronic data:
  - \* In the Commission's database; and
  - \* In an image format resembling an FEC form so that individuals, using a computer, can read simulated pages of reports.

### *Future Efforts*

During FYs 2000 and 2001 the agency will continue to develop incentives to encourage committees to voluntarily file their reports electronically. Creating these incentives will involve a series of steps, including:

- Analyzing the strengths and weaknesses of the early stages of the electronic filing program;
- Evaluating and modifying the software developed by the Commission;
- Evaluating and expanding the Commission's program for training committees in the use of the software;
- Evaluating and modifying methods for educating the filing community about electronic filing; and
- Working with private software companies to integrate electronic filing features into their commercial products.

Development of new processes to improve internal document flow in this new "electronic filing" environment will continue into FY 2001. This will enable internal FEC users to integrate electronic filings into processes such as reports review, audits, and enforcement. Spending on this initiative during FY 2001 also includes funds for on-

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<sup>17</sup> Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

going operation and maintenance of the electronic filing system during the 2000 election cycle.

#### *Data Input*

The Commission's electronic filing system presently is capable of handling all filers. For those committees currently filing electronically, the process of transferring the data into the disclosure database is automatic. However, even with mandatory electronic filing in place, the Commission will continue to manually input the data taken from reports filed by committees that do not meet the established threshold and choose not to file electronically. As an alternative to manual input, the FEC is reviewing other alternatives, such as Optical Character Recognition (OCR) technology, and will further investigate the possibility of instituting this type of technology in FY 2001.

#### **Y2K**

To date, the Commission has encountered no problems associated with Y2K.

#### **Past IT Initiatives**

The Commission has been working on electronic filing and a series of other IT enhancements since 1995. These initiatives have clearly benefited the American taxpayer by significantly improving the FEC's disclosure services, while holding to a minimum the need for additional staff to provide these services. This is in the face of record setting levels of campaign finance activity on the federal level in every election cycle since 1992.

#### *Response to Growing Demand for Information*

Enhanced computer technology has enabled the FEC to respond to a growing demand for information—and to deliver the information faster—without adding staff for this purpose. Through the Commission's automated fax system and the Internet, the public can instantaneously access FEC forms, publications and campaign finance data.

#### *Larger Audience Using Data*

Additionally, the new technology has broadened the audience for existing services. In the past, for example, a limited community of campaign finance specialists accessed the FEC's database through the Direct Access Program (DAP), a fee-for-service program.<sup>18</sup> The agency has now made it possible for these same experts—and the public as a whole—to access the data cost-free on the Internet. During FY 2001, the agency will continue its conversion from the DAP to the FEC website.

#### *Point of Entry Completed*

The Commission successfully completed its Point-of-Entry initiative in 1998. Under this program, all political committees (except Senate committees and the national

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<sup>18</sup> While used primarily by the campaign finance community, the Direct Access Program has always been available to the public.

parties' Senate campaign committees<sup>19</sup>) file their reports with the Commission (either on paper or electronically). The Commission then scans the documents to make images that are available for review on FEC computers and on the World Wide Web. Further, our electronically filed documents are imaged and retrievable from the Website, in the same format as if filed on paper, for calendar years 1993 through the present cycle.

#### Lower Costs

Finally, the agency successfully contracted for some of its IT initiatives at a lower cost than initially anticipated. The design of the electronic filing system came in under budget. Similarly, the cost of making images of reports available to the public through the FEC Website was nearly 37 percent lower than the amount Congress appropriated for the initiative.

#### Summary: Electronic Filing and IT Enhancements

The total request for IT enhancements and electronic filing in FY 2001 is \$4,689,500. Tables 10A and 10B summarize the costs contained in the FY 2001 budget.

TABLE 10A: COMPUTERIZATION INITIATIVES COSTS									
FY 1999-2001									
OFFICE/SECTION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
ADP ENHANCEMENTS	\$ 508,991	\$ 578,000	\$ 588,600	\$ 2,098,368	\$ 2,898,000	\$ 2,746,000	\$ 3,504,347	\$ 3,276,000	\$ 3,138,600
ELECTRONIC FILING	\$ 93,108	\$ 147,000	\$ 151,500	\$ 576,341	\$ 1,106,000	\$ 1,026,000	\$ 671,499	\$ 1,252,000	\$ 1,176,500
PT. OF ENTRY/INTERNET	\$ 142,758	\$ 76,000	\$ 81,900	\$ 41,982	\$ 293,600	\$ 295,000	\$ 184,758	\$ 369,600	\$ 376,900
PROGRAM TOTAL	\$ 744,857	\$ 801,000	\$ 822,000	\$ 3,716,751	\$ 4,297,600	\$ 4,067,000	\$ 4,360,604	\$ 4,897,600	\$ 4,692,000
COMMISSION PERCENT	3%	2%	2%	28%	36%	31%	12%	13%	11%

TABLE 10B: COMPUTERIZATION INITIATIVES FTE						
FY 1999-2001						
PROJECT	FY 1999		FY 2000		FY 2001	
	FTE	PROJ. %	FTE	PROJ. %	FTE	PROJ. %
IT ENHANCEMENTS	8.2	68%	5.0	59%	5.0	59%
ELECTRONIC FILING	1.5	13%	2.5	29%	2.5	29%
PT. OF ENTRY/INTERNET	2.3	19%	1.0	12%	1.0	12%
PROGRAM TOTAL	12.0		8.5		8.5	
COMMISSION PERCENT	4%		2%		2%	

<sup>19</sup> Senate committees and the national parties' Senate campaign committees are required by law to file their reports with the Secretary of the Senate. Consequently, these committees are unable to participate at this time in the FEC's electronic filing program.

# **Program VI: Commission Policy and Administration (Management Program)**

Tables 11A and 11B depict the costs and corresponding FTE for central policy guidance, management and staff support for all Commission operations that do not otherwise fit under the previously identified programs. The 4 FTE requested for FY 2001 are for this management program. Besides the offices of the six Commissioners and the Secretariat, this budget category includes all basic administrative overhead, such as rent, phones, postage, etc., and support functions, such as management, budget, accounting and personnel. Direct support costs for program-related items, such as travel, training, printing, etc., are allocated to specific Commission objectives and programs.

TABLE 11A: COMMISSION POLICY AND ADMIN. PROGRAM COSTS									
FY 1999-2001									
OFFICE/DIVISION	PERSONNEL COSTS			NON-PERSONNEL COSTS			TOTAL COSTS		
	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001	FY 1999	FY 2000	FY 2001
COMMISSIONERS	\$ 1,931,086	\$ 2,280,000	\$ 2,720,000	\$ 26,336	\$ 18,000	\$ 26,000	\$ 1,957,422	\$ 2,298,000	\$ 2,746,000
STAFF DIRECTOR	\$ 1,284,783	\$ 1,957,500	\$ 1,795,800	\$ 353,190	\$ 308,800	\$ 323,500	\$ 1,637,973	\$ 2,266,300	\$ 2,119,300
ADMINISTRATIVE	\$ 1,211,860	\$ 1,326,000	\$ 1,387,000	\$ 5,721,884	\$ 4,712,800	\$ 5,178,800	\$ 6,933,744	\$ 6,038,800	\$ 6,565,800
IG OFFICE	\$ 313,000	\$ 327,000	\$ 358,500	\$ 8,807	\$ 11,000	\$ 11,800	\$ 321,807	\$ 338,000	\$ 370,300
DATA SYSTEMS	\$ 597,978	\$ 828,028	\$ 899,481	\$ 84,089	\$ 81,280	\$ 88,260	\$ 682,067	\$ 909,308	\$ 987,741
OGC GENERAL COUNSEL	\$ 626,316	\$ 658,373	\$ 704,476	\$ 98,178	\$ 35,797	\$ 42,034	\$ 724,494	\$ 694,170	\$ 746,510
CASH AWARDS		\$ 230,000	\$ 230,000					\$ 230,000	\$ 230,000
PROGRAM TOTAL	\$ 5,166,720	\$ 7,292,899	\$ 6,190,568	\$ 6,248,236	\$ 5,181,877	\$ 5,869,894	\$ 11,414,956	\$ 12,474,676	\$ 12,059,940
COMMISSION PERCENT	27%	28%	29%	48%	42%	44%	30%	33%	34%

TABLE 11B: COMMISSION POLICY AND ADMIN. PROGRAM FTE						
FY 1999-2001						
OFFICE/DIVISION	FY 1999		FY 2000		FY 2001	
	FTE	DIV. %	FTE	DIV. %	FTE	DIV. %
COMMISSIONERS	17.6	100%	20.0	100%	24.0	100%
STAFF DIRECTOR	17.9	100%	19.0	100%	21.0	100%
ADMINISTRATIVE	20.4	100%	21.0	100%	21.0	100%
IG OFFICE	4.0	100%	4.0	100%	4.0	100%
DATA SYSTEMS	13.5	40%	14.5	37%	14.5	33%
OGC GENERAL COUNSEL	7.8	7%	8.0	7%	8.0	7%
CASH AWARDS	0.0		0.0		0.0	
PROGRAM TOTAL	81.2		86.5		92.5	
COMMISSION PERCENT	25%		25%		26%	



OFFICE OF THE CHAIRMAN

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Appendix A

February 18, 2000

The Honorable Bill Thomas  
Chairman  
Committee on House Administration  
1309 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Thomas:

Enclosed is the Federal Election Commission's third status report to Congress on its progress in implementing the recommendations contained in the *PricewaterhouseCoopers Technology and Performance Audit and Management Review of the Federal Election Commission*.

Should you have questions, or require additional information, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Darryl R. Wold". The signature is fluid and cursive.

Darryl R. Wold  
Chairman

Enclosure



# **PricewaterhouseCoopers's Recommendations/Improvement Opportunities – February 2000 Status Report**

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# **PricewaterhouseCoopers's Recommendations/Improvement Opportunities –February 2000 Status Report**

## **Executive Summary**

Following the publication of PricewaterhouseCoopers's audit<sup>1</sup> of the Federal Election Commission, the Committee on House Administration, chaired by Representative Bill Thomas, requested that the Commission inform the Committee on its progress in implementing the recommendations contained in the PricewaterhouseCoopers audit. This is the third such progress report.<sup>2</sup>

This report includes, where possible, target dates for completion. Task forces and working groups that are working on the various recommendations and "other projects" are listed under Recommendation #7.

We have grouped current tasks into four categories:

- Tasks completed during current reporting period;
- Tasks requiring immediate attention (to be completed in 1<sup>st</sup> quarter, 2000);
- Tasks that will be completed in 3<sup>rd</sup> quarter, 2000;
- Task that will be completed in 4<sup>th</sup> quarter, 2000.

All other tasks either have been completed or will continue to receive staff and Commission attention on a less expedited basis.

### **Tasks Completed During Current Reporting Period**

- Transition to a paperless disclosure and reports review process (Recommendation # 10). [Initial phase completed.]
- Convene an internal OGC working group to develop recommendations for consideration by the Commissioners to reduce the number of legal reviews embedded in the enforcement process (Recommendation # 13).
- Transfer payroll and personnel systems to the National Finance Center (Other Project # 1).
- Year 2000 Remediation Effort (Other Project # 2).
- Redesign and Enhance FEC Web site (Other Project # 4).
- Contract for IT services and data entry support services (Other Project # 9).
- Waiver of State Filing Requirements (Other Project # 16).

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<sup>1</sup> *Technology and Performance Audit and Management Review of the Federal Election Commission*, January 29, 1999.

<sup>2</sup> Previously reports were submitted to the Committee on March 24 and September 24, 1999.

#### **Tasks Requiring Immediate Attention (1<sup>st</sup> Quarter, 2000)**

- Administrative Fines /Proposed Regulations (Recommendation # 4)
- Case Management (Recommendation # 14)
- Integration of Macintosh publishing program into server-based computer system (Other Project # 14)

#### **Tasks That Will Be Completed in 3<sup>rd</sup> Quarter, 2000**

- Administrative Fines/Operational (Recommendation # 4)
- Establishment of Title 2 audit-for-cause process (Recommendation # 15)
- Implement Document Management System in OGC (PCDocs) (Other Project # 5)
- Implement Document and Tracking System in Audit (Other Project #6)
- Renovations of FEC offices (Other Project # 10)
- Alternative Dispute Resolution (Other Project # 12)

#### **Tasks That Will Be Completed in 4<sup>th</sup> Quarter, 2000**

- Mandatory electronic filing (Recommendation # 1)
- Election-cycle reporting (Recommendation # 2)
- Standardize filing guidelines and forms (Recommendation # 5)

Task forces have made significant progress in carrying out the recommendations and projects, summarized below:

- **Authorize mandatory electronic filing for major filers** (Recommendation # 1).  
The OGC anticipates that the related rulemaking will be completed by December 2000.
- **Standardize reporting on an election-cycle basis (campaign-to-date basis) rather than a calendar-year basis** (Recommendation # 2).  
The OGC anticipates that the related rulemaking will be completed by December 2000.
- **Transfer the point-of-entry for Senate candidate committee reports to the FEC** (Recommendation # 3).  
The issue of facilitating voluntary electronic filing by Senate committees is still under consideration by the Rules Committee. Nevertheless, the Commission continues to work with the Senate Public Records Office to implement measures to transmit scanned images of reports filed with the Senate to the FEC. A high speed communication line which will enable the Senate to transmit its filings directly to the FEC has been installed. The estimated completion date is April 2000.

- **Authorize the FEC to establish an administrative fine schedule, subject to reasonable appeal procedures, for straightforward disclosure violations (Recommendation # 4).**  
Under an expedited review schedule, Commission consideration of a new fine schedule, new internal procedures, draft regulations, and an implementation strategy is scheduled for late February 2000.
- **Enforce the use of standard filing guidelines and forms for the entire regulated community during the transition to electronic filing (Recommendation # 5).**  
A contract for the redesign of FEC forms was awarded on September 14, 1999. The Commission anticipates that the contract will be completed in March 2000.
- **Transition to a paperless disclosure and reports review process (Recommendation # 10).**  
An improved prototype system for electronically reviewing filed documents was presented to RAD staff by the EF contractor in October 1999. RAD analysts are currently using this program to conduct basic reviews. Review and modifications to the system are ongoing.
- **Compile an annual descriptive offense profile of compliance matters to better inform Commissioners, policy makers, and the public about emerging law enforcement trends (Recommendation # 12).**  
The Commission contracted with Booz/Allen & Hamilton to define the requirements for a comprehensive offense profile database. A final assessment of the requirements will be submitted in February 2000, and an operational system developed by the 4<sup>th</sup> quarter, 2000.
- **Complete the case management system and use the workflow and staff utilization data to establish enforcement workload standards (Recommendation # 14).**  
Training of Commissioners, OGC, and senior staff in the use of the Case Management System (CMS) has been completed. A six-month review period has commenced.
- **Assign dedicated resources to establish a single Title 2 audit-for-cause process in the Audit Division independent of Title 26 audit resource requirements (Recommendation # 15).**  
The Audit Division entered FY 2000 fully staffed. Additionally, the Commission entered into a contract to identify the requirements of audit workflow modernization and to examine alternative solutions in a cost benefit context. The reports should be completed in March 2000.

- **Establish annual performance objectives for the Staff Director and the General Counsel (Recommendation # 17).**

The Chairman and Vice Chairman received qualification statements of potential contractors provided by the FEC's Personnel Director, along with information about how other agencies address similar positions.

- **Expand imaging process to include materials other than campaign finance reports (Other Project # 7)**

FEC has worked with AMS since September 1999, to develop a strategy for implementing a Commission-wide document management system. The first phase is slated for completion by April 2000.

- **Develop an Alternative Dispute Resolution (ADR) pilot program (Project # 12).**

In December the Federal Mediation and Conciliation Service (FMCS) met with Commissioners to present their final ADR design report. OGC developed case selection criteria. As a result of the December meeting, the Commission directed the Staff Director to draft a proposal to implement the ADR program and to issue a vacancy announcement for the Director of ADR. The Commission expects to hire a Director by April 2000.

More detailed descriptions of progress on each Recommendation, Growth Opportunity and Other Project appear in the pages that follow.

# **PricewaterhouseCoopers's Recommendations/Improvement Opportunities**

## **February 2000 Status Report**

Recommendations 1, 2, 4, 5, 7, 9, 12, 13 and 14 and Improvement Opportunity 4-15 have been designated high priority by staff.

### **PwC Recommendations**

**1. Authorize mandatory electronic filing for major filers:** Electronic filing offers the most cost-efficient and effective method to capture campaign finance transactions. The FEC needs legislative authority to require committees, which meet FEC-determined thresholds of financial activity, to file reports electronically by a date certain. (4.2.6)

***PwC Approach:*** Congressional action required

***PwC Timeframe:*** 2002 election cycle

***Lead Office:*** Data

***Participating Offices:*** Information, OGC Policy, RAD, Commissioners' Offices, Audit, Public Disclosure, and Press

***Target Completion Date:*** Marketing Plan for Voluntary Program, July 2000  
Mandatory Program, December 2000

***FEC Progress:*** On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which mandates electronic filing in the 2002 election cycle for all political committees, other than Senate committees. The provision takes effect for reporting periods beginning after December 31, 2000. OGC anticipates that the related rulemaking will be completed by December 2000. That projection is based upon expedited Commission approval of proposed rules, a public comment period, approval of final rules and their submission to Congress for 30 legislative days.

In the absence of regulations implementing the new legislation, the Commission is actively promoting voluntary use of electronic filing. To this end, a working group prepared a draft marketing plan encouraging broad participation in the FEC's electronic filing program. Through competitive bidding, a marketing firm was brought on board and has developed a specific marketing plan focusing on education and stressing the benefits of becoming an electronic filer prior to implementation of mandatory electronic filing in 2001. Marketing efforts include advertisements in publications aimed at political professionals, outreach efforts at conferences and other meetings of political professionals, web site updates, and special mailings to committees. A total of 551 committees electronically filed their year-end reports with the Commission. Further plans for easing the transition to electronic filing include providing a framework for testing commercial software so that the filing public can make an informed software purchasing decision. In addition, based on an electronic filing survey, the FEC is improving the documentation of its electronic filing software (a software user manual will

be available by the end of 1999) and considering issuing CD ROM-based tutorials and video-taped software classes. Finally, the Data Division has initiated a review process involving FEC staff, SDR (the contractor) and software vendors to address areas that need improvement prior to the increase in electronic filing activity expected in 2001 (most of which will be in July of 2001).

**2. Standardize reporting on an election-cycle basis (campaign-to-date basis), rather than a calendar-year basis:** Standardized reporting periods on an election-cycle basis would simplify candidate committee record-keeping, reduce the number of filing errors requiring RFAs, and increase the usefulness of the disclosure database. (4.2.5)

**PwC Approach:** Congressional action required

**PwC Timeframe:** 2002 election cycle

**Lead Office:** Public Disclosure

**Participating Office:** OGC Policy, Audit, Press, RAD, Information, and Data

**Target Completion Date:** December 2000

**FEC Progress:** On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which included a change to the FECA requiring committees to report on an election-cycle basis. The new amendment changes the aggregate reporting of information for candidate campaigns from calendar-year to campaign-cycle reporting, effective for the reporting period beginning after December 31, 2000. OGC anticipates that the related rulemaking and corresponding reporting forms will be completed by December 2000. This projection is based upon expedited Commission approval of proposed rules, a public comment period, approval of final rules and revised forms, and their submission to Congress for 30 legislative days

**3. Transfer the point-of-entry for Senate candidate committee reports to the FEC:**

The FEC must maintain separate and costly filing, imaging, and document retrieval processes to accommodate Senate filings. Establishing the FEC as the single point-of-entry for filings would reduce FEC costs and increase the timeliness of filing and compliance notices. (4.2.7)

**PwC Approach:** Congressional action required

**PwC Timeframe:** 2000 election cycle

**Lead Offices:** Public Disclosure and Data

**Participating Office:** OGC Policy

**Target Completion Date:** April 2000

**FEC Progress:** The Commission continues to work with the Senate Public Records Office to implement measures to transmit scanned images of reports filed with the Senate to the FEC. The Senate has contracted with a vendor to enhance the Senate's image scanning process by modifying images scanned at the Senate to make them conform with FEC images. These modifications will allow the FEC to integrate Senate images with the FEC's imaging system. The high speed communication line to enable the Senate to transmit its filings directly to the FEC has been installed, and the necessary communication components are being configured. The estimated completion date is



April 2000. Implementation will assist efforts to provide all images of financial reports on the WEB.

The issue of facilitating voluntary electronic filing by Senate committees is still under consideration by the Rules Committee.

**4. Authorize the FEC to establish an administrative fine schedule, subject to reasonable appeal procedures, for straightforward disclosure violations:** Moving these violations out of the formal enforcement process would allow more efficient and effective use of enforcement resources for activating and resolving more significant matters under review. (4.3.3.5)

**PwC Approach:** Congressional action required

**PwC Timeframe:** 2000 election cycle

**Lead Offices:** OGC and RAD

**Participating Offices:** Data, Public Disclosure, Congressional Affairs, and Staff Director's Office

**Target Completion Date:** July 2000

**FEC Progress:** On September 29, 1999, the President signed H.R. 2490, the fiscal year 2000 Treasury, Postal Service and General Government Appropriations Act, which included an amendment to the FECA establishing an administrative fine schedule for straightforward reporting violations occurring between January 1, 2000, and December 31, 2001. Under an expedited review schedule, Commission consideration of a new fine schedule, new internal procedures, draft regulations, and an implementation strategy is scheduled for late February 2000.

**5. Enforce the use of standard filing guidelines and forms for the entire regulated community during the transition to electronic filing:** Standardizing how forms and amendments to forms are submitted and requiring the submission of all disclosure information in a typeface format would improve the disclosure and reports review processes. (4.2.5)

**PwC Approach:** Requires Notice of Proposed Rulemaking

**PwC Timeframe:** FY 1999

**Lead Office:** Public Disclosure

**Participating Offices:** Audit, Information, OGC Policy, RAD, Administration and Data

**Target Completion Date:** Redesign of Forms, August 2000

**FEC Progress:** This recommendation has two parts: forms redesign and standardized reporting/processing practices.

**Forms Redesign.** A contract for the redesign of FEC forms was awarded on September 14, 1999. To date, the vendor has presented the task force with at least one draft of the forms and schedules slated for redesigned under the contract. The Commission anticipates that the contract will be completed in March 2000.

*Standardized Reporting/Processing Practices.* On February 11, 2000, the task force submitted to the Staff Director a final document putting forth several reporting practices which, if standardized and enforced, would enhance the disclosure operation with more timely entry of itemized transactions and more accurate reporting. A draft document entitled "How to Amend Reports," prepared by a subgroup of the task force, is included in the final package of recommendations.

**6. Set up Internet connections on several PCs in the Public Records Division so that the public can access the FEC Web page:** This step enhances resources available in Public Records. (4.2.1)

**PwC Approach:** Minimal Data Systems support  
**PwC Timeframe:** FY 1999  
**Lead Office:** Public Disclosure  
**Participating Office:** Data  
**Target Completion Date:** Recommendation was implemented in 1999.

**7. Engage in intraprogram and interprogram management-planning activities to improve resource utilization and to enable process efficiencies:** Increased emphasis on management planning will support improvements in disclosure productivity. (4.2.9)

**PwC Approach:** Ongoing work with business process maps as a baseline  
**PwC Timeframe:** FY 1999  
**Lead Offices:** Staff Director and General Counsel  
**Participating Offices:** All  
**Target Completion Date:**

**FEC Progress:** In response to this recommendation, the Staff Director and General Counsel have established several working groups tasked with:

- Marketing electronic filing;
- Identifying reporting guidelines and practices which, if standardized, would improve efficiency and effectiveness of our disclosure operations;
- Identifying ways to reengineer the reports review process to take better advantage of information technology;
- Establishing Internet connections in Public Records so that the public can access the FEC Web Page;
- Reducing the number of legal reviews;
- Developing an annual descriptive offense profile of compliance matters;
- Implementing administrative fines—a new statutory provision;
- Implementing election-cycle reporting—new statutory provision;
- Establishing a Title 2 Audit-for-Cause Program.

Previously established working groups have continued to work on:

- Implementing a Case Management System;
- Developing a relational disclosure database;
- Enhancing the FEC's Web site;
- Modifying disclosure forms into a machine readable format;
- Implementing Electronic Filing;

- Expanding IT initiatives;
- Developing an ADR program that will augment existing enforcement efforts; and
- Finance Committee matters.

**8. Realign resources in Disclosure and in Data Systems coding and entry into a single disclosure process with one accountable manager:** Consolidating the disclosure process from two divisions into one with a single manager will increase accountability and streamline disclosure process functions and resources. (4.2.4)

**PwC Approach:** Three months developing consolidation plan (\$50,000 for facilitation support)

**PwC Timeframe:** FY 2000

**Lead Office:** Public Disclosure

**Participating Offices:** Data

**FEC Progress:** In the past, the FEC tried a "unified approach" to disclosure, review and data coding and entry. The approach was unsuccessful. The Commission believes that the disclosure program and data entry and coding are working quite well. In fact, PricewaterhouseCoopers also found that the Commission completed its disclosure requirements in a timely manner.

**9. Work with internal and external user groups to determine modernization requirements for the existing disclosure database:** Beginning to assess internal and external user requirements will accelerate the move away from DB1032 to a relational database and thereby strengthen the disclosure and reports analysis processes. (4.2.8)

**PwC Approach:** Six months to design IT strategy (\$500,000 for database design support and acquisition)

**PwC Timeframe:** FY 2000

**Lead Office:** Data

**Participating Offices:** Audit, Press, Public Disclosure, and RAD

**Target Completion Date:** March 2000

**FEC Progress:** The transition to a relational database is occurring in the following stages:

- The Commission contracted with a firm in October of 1998 to perform a requirements analysis.
- The contractor worked with inside users to prepare an inventory of current uses of the 1032 data base. The inventory has been completed.
- The FEC issued a task order to AMS against a GSA contract for \$112,000 to complete the second phase of developing a client/server strategy for the disclosure function.
- The project plan for the second phase was completed on November 9, 1999.
- All interviews with participating offices have been completed. The draft client/server strategy report is due February 16, 2000, and the final report is scheduled for delivery March 1, 2000.
- Data Base engines will be investigated as to their applicability to the FEC environment.

- System Development will begin in March 2000.

**10. Transition to a paperless disclosure and reports review process:** During the transition period to an electronic filing environment, the FEC will need to support existing and new disclosure and reports review processes. For example, the Reports Analysis Division requires a business process reengineering (BPR) study to design an electronic reports review and exception reporting system. (Dependent on Congressional authorization to require mandatory electronic filing with a date certain.) (3.3.10 and 4.2.3)

**PwC Approach:** Design and document requirements (\$500,000 for BPR study)

**PwC Timeframe:** FY 2001, with design/document phase completed in 6 months

**Lead Offices:** Public Disclosure and RAD

**Participating Offices:** Audit, Press and Data

**Target Completion Date:** The implementation of the initial phase of this PwC recommendation has been completed.

**FEC Progress:** An improved prototype system for electronically reviewing filed documents was presented to RAD staff by the EF contractor in October 1999. RAD's review of the program's capabilities indicated that the prototype will significantly assist in the review of electronically filed reports. RAD analysts are currently using this electronic review program to conduct basic review of all electronically filed documents, including those of Presidential campaign committees. RAD and Data also are coordinating efforts in anticipation of further improvements. Particularly, they are looking at extending automated review beyond examining a single report to include consideration of a committee's activity as a whole.

RAD and DSDD have revised "error listing" programs, which examine data derived from committee reports and point out potential problems for the Reports Analysts to investigate.

**11. Prepare and maintain documentation supporting EPS (Enforcement Priority System) case-activation decisions:** This step will increase the transparency and accountability of OGC case-activation decisions. (3.3.3) (See also: Improvement Opportunity 4-20.)

**PwC Approach:** Two months

**PwC Timeframe:** FY 1999

**Lead Office:** OGC Enforcement and OGC PFESP

**Participating Offices:** None

**Target Completion Date:** This recommendation was completed in April 1999.

**12. Compile an annual descriptive offense profile of compliance matters to better inform Commissioners, policy makers, and the public about emerging law enforcement trends:** To undertake this project, the FEC will need outside assistance from other Federal law enforcement statistics agencies and a contractor to design a database (in conjunction with the case management system) and to code closed cases. (3.3.4 and 4.3.3.6) (See also: Improvement Opportunities 3-2 and 4-22.)

**PwC Approach:** Eight months to research, design, automate, and code closed cases (\$250,000)

**PwC Timeframe:** FY 1999  
**Lead Office:** OGC Enforcement and OGC PFESP  
**Participating Offices:** OGC, Administration, Data, Information  
**Target Completion Date:** 4<sup>th</sup> quarter, 2000  
**FEC Progress:** The Commission has contracted with Booz/Allen & Hamilton to define the requirements for a comprehensive offense profile database. A working group, composed of representatives from OGC, Data, Planning and Management and Information, has worked with Booz/Allen on this project. Booz/Allen submitted a draft requirements document to the Commission on February 7, 2000. It is anticipated that a final assessment of the requirements will be submitted in February 2000 and an operational system developed by the 4<sup>th</sup> quarter, 2000.

**13. Convene an internal OGC working group to develop recommendations for consideration by the Commissioners to reduce the number of legal reviews embedded in the enforcement process:** This effort will speed Commissioner consideration of enforcement case stages. (4.3.3.2) (See also: Improvement Opportunity 4-18.)

**PwC Approach:** Four months  
**PwC Timeframe:** FY 2000  
**Lead Office:** OGC Enforcement and OGC PFESP  
**Participating Offices:** None  
**Target Completion Date:** This recommendation was completed in February 2000.  
**FEC Progress:** The Levels of Review working group submitted a report to the Commission, which was discussed at the February 15, 2000, executive session meeting. The Commission accepted the report, directed OGC to report within 90 days regarding implementation of the working group's recommendations, and directed the working group to outline the specific issues it wants the Commission to consider.

**14. Complete the case management system and use the workflow and staff utilization data to establish enforcement workload standards:** After the system has tracked cases throughout FY 1999, a baseline set of metrics should guide the development of these standards. (4.3.3.6)

**PwC Approach:** Twelve months  
**PwC Timeframe:** FY 2000  
**Lead Office:** OGC  
**Participating Offices:** Data, Planning and Management, Staff Director, and Commissioners' Offices  
**Target Completion Date:** Phase I (Implementation)—February 2000  
**FEC Progress:** Basic Case Management System (CMS) training for Commissioners, the Staff Director, Planning & Management, Congressional Affairs and OGC staff has been completed. Labor/management negotiations with NTEU concerning CMS implementation will begin in earnest after the six month review period has been completed. The initial phase of time entry CMS training is nearly complete. We will, of course, have on-going training for new employees. Information from legacy systems has been incorporated into the CMS. Last minute systems modifications were made in

October 1999. At that time, OGC began entry of current information relating to active cases; this process is ongoing within OGC, with some OGC sections up to date. Additional entry assistance concerning current case data was provided by the Office of the Staff Director. Identification and entry of selected information from past cases continues. The Commission Secretary continues to keep CMS current with respect to Commission votes and assisted OGC with the set up of the 28 largest enforcement cases. DSDD is assisting OGC with the data entry. OGC is preparing a comprehensive report to the Steering Committee on the status of CMS.

**15. Assign dedicated resources to establish a single Title 2 audit-for-cause process in the Audit Division independent of Title 26 audit resource requirements:** Conducting a predetermined threshold number of audits for cause is necessary to enhance visibility in the filing community and to deter noncompliant activities. (4.3.2.4) (See also Improvement Opportunity 4-15.)

**PwC Approach:** Additional Audit Division personnel  
**PwC Timeframe:** FY 2001  
**Lead Offices:** Audit, OGC PFESP and Staff Director  
**Participating Offices:** RAD, Public Disclosure, Data  
**Target Completion Date:** Electronic Audit Workflow and Management System, 1<sup>st</sup> quarter, 2000  
 Audit internship program for Title 2 audits, 1<sup>st</sup> quarter, 2001

**FEC Progress:** The Audit Division initially identified three approaches that would allow the agency to focus more resources on the Title 2 audit-for-cause program:

*External Contracts for Convention-Related Entities.* This option no longer appears to be a viable solution because of the high costs involved.

*Temporary Peak Workload Assistance: Intern/Co-op Program.* All auditor positions relative to FY 1999 and FY 2000 have been filled. Recruitment of participants in an intern or coop program will begin during the first half of this calendar year. It is expected that, FTE permitting, one or more interns will be hired during the 1<sup>st</sup> or 2<sup>nd</sup> quarter, 2000. Utilization of interns during this period will be a preamble to carrying out a comprehensive intern program in FY2001, assuming the FY 2001 budget request is approved.

*Use of Risk Analysis and Other Resource-Saving Methodologies.* With assistance from the Data Division, the Audit Division has finalized a contract for a Requirements Analysis and Cost Benefit Study to identify the requirements of an electronic audit workflow and management process. The reports should be completed prior to the end of the 1<sup>st</sup> quarter. Implementation, if warranted, would occur during the 2<sup>nd</sup> quarter.

*Preliminary Conclusion.* If all the approaches/modifications (not including contracting out convention audits) discussed above are implemented, the FEC would significantly increase the number of Title 2 audits covering the 2000 election cycle. Preliminary estimates put the number of audits of authorized committees at 24 (roughly 22 House audits and 2 Senate audits)<sup>1</sup> and the number of nonauthorized committee audits

<sup>1</sup> These numbers represent 5 percent of all House and Senate seats up for election in the 2000 election cycle.

at 20-21, for a total of 45 audits for that cycle. In contrast, over the last four cycles (1991-92 through 1997-98) an average of 9 authorized and 12 nonauthorized committees have been slated for audit. House and Senate audits would be commenced within 6 months of the general election unless the auditee requested a postponement; in no case would an authorized committee audit begin later than August of the year after the election, unless the compulsory process had to be employed. Further, all of the House and Senate audits would be publicly released within one year of commencement, unless the compulsory process had to be employed. The 2-year deadline on release of Title 26 audit reports would continue to be met.

The OGC PFESP section continued its review of the Title 2 audit process and the Enforcement Priority System (EPS) II, with special emphasis on processing Title 2 audit referrals. OGC PFESP forwarded draft revisions to EPS II to the task force on November 1, 1999 and interviewed Commissioners regarding proposed revisions. Once the document has been finalized, it will be sent to the Commissioners.

In September 1999, the Commission established a task force under the direction of the Staff Director to focus on the Title 2 audit process.

**16. Select a permanent Staff Director tasked to improve overall organizational performance:** The FEC now has the opportunity to select a permanent Staff Director who can help renew the organization. FEC Commissioners should consider retaining an executive-recruiting firm to validate the candidate list for their consideration. (3.3.6)

**PwC Approach:** Two months to identify candidates (\$50,000 for candidate validation)

**PwC Timeframe:** FY 1999

**FEC Progress:** Recommendation was implemented in April 1999.

**17. Establish annual performance objectives for the Staff Director and the General Counsel:** To establish and maintain organizational accountability, Commissioners need to communicate desired organizational achievements to both statutory officers and delegate authority to execute tasks. (3.3.6)

**PwC Approach:** Three months to establish performance criteria

**PwC Timeframe:** FY 1999

**Lead Office:** Commissioners

**Participating Offices:** Staff Director, General Counsel and Personnel

**Target Completion Date:**

**FEC Progress:** The Chairman and Vice Chairman have done an initial review of the qualifications of five potential contractors recommended by the FEC's Personnel Director. In response to Commissioners' inquiries about the applicants' legal experience, the Personnel Director provided additional information to the Chairman and Vice Chairman. The material is being reviewed.

**18. Encourage more collaboration and communication among existing work groups:** The Staff Director should convene regularly scheduled meetings to increase cross-divisional communication and collaboration and to review management information system performance data. (3.3.5)



**PwC Approach:** Minimal  
**PwC Timetable:** FY 1999  
**Lead Offices:** Staff Director and General Counsel  
**FEC Progress:** This recommendation has been implemented. For more information, see Recommendation # 7 and other specific PwC recommendations.

**19. Develop a new performance appraisal process for managers:** A pilot project should be initiated, using an upward feedback system, to ensure that FEC managers have put into practice those behaviors that foster communication and ownership of problems and reward innovation. (3.3.7)

**PwC Approach:** Six months to research, develop, and administer pilot survey (\$50,000)  
**PwC Timetable:** FY 1999  
**Lead Office:** Personnel  
**Participating Offices:** All  
**FEC Progress:** Some of the companies that were interviewed with respect to the SD/GC performance objective project also indicated a willingness and desire to work on this recommendation.

**20. Explore alternatives to the Federal General Service classification system:** Alternatives to the current use of the Federal GS classification system should be explored as a means to increase promotional opportunities and provide a more flexible compensation system. (3.3.11)

**PwC Approach:** Four months to research and investigate options, with OPM support  
**PwC Timetable:** FY 1999  
**Lead Office:** Personnel  
**Participating Offices:** All  
**FEC Progress:** The FEC is reviewing the statute to determine our obligation to follow Title 5 compensation and classification policies.

**21. Conduct customer satisfaction surveys after an election cycle to understand expectations and measure changes in filer satisfaction with the products and services provided by the FEC:** Using the baseline findings provided in this report, regular surveys will allow FEC to discontinue services that have diminishing value, to better understand the needs of the filing community, and to better deploy FEC resources. (3.3.3)

**PwC Approach:** \$75,000 each election cycle  
**PwC Timetable:** FY 2001  
**Lead Office:** Information  
**Participating Offices:** Public Records, RAD, Press, OGC Administration, Data and Planning & Management  
**Target Completion Date:** June 2001  
**FEC Progress:** Project will be undertaken by the Information Division after the completion of the 2000 election.

## **Improvement Opportunities**

**Improvement Opportunity 3-7:** The FEC should create a more open and proactive problem-solving environment for doing business.

This and several of the following Improvement Opportunities parallel a number of the recommendations described above (see, for example, recommendations 7, 9, 16, 18 and 21).

**Improvement Opportunity 3-9:** The Data Division should routinely conduct an internal FEC staff survey to assess user satisfaction.

**Lead Office:** Data

**Participating Offices:** All

**FEC Progress:** The IT Strategic Plan calls for an outside contractor to perform an agency-wide needs analysis in FY 2000. This will be the third such analysis. The others were performed in 1995 and 1997. The needs analysis to be performed in FY 2000 will include a staff survey.

**Improvement Opportunity 3-10:** FY 2000 is the time for the FEC to begin to lay the framework for significant business process reengineering efforts. Future and ongoing ADP initiatives should incorporate a business process reengineering effort led by the program offices, not DSDD.

**Lead Office:** Data

**Participating Offices:** All

**FEC Progress:** See Recommendation # 10.

**Improvement Opportunity 4-1:** FEC should redesign a disclosure database that supports internal staff needs, as well as the public's needs.

**FEC Progress:** This has been a fundamental element in the requirements analysis for client-server database development conducted for the Commission by AMS. It will continue to be a driving principle in that program.

(See response to Recommendation #9).

**Improvement Opportunity 4-3:** FEC should set up Internet connections on several PCs in the Public Records Division. The Internet could be used to access other campaign finance databases and Web sites on third-party information providers.

**Lead Office:** Data

**FEC Progress:** This effort was completed in July 1999 when DSDD configured all of the PC's in Public Records so that the public could access other campaign finance Web sites.

**Improvement Opportunity 4-4:** The Processing Branch should support all imaging needs throughout the Commission. Processing staff could work with the Office of the General Counsel to assist that Office with its imaging needs.

**Lead Office:** Public Disclosure

**FEC Progress:** The Commission's Strategic Plan for IT development includes a program to reexamine the use of imaging technology throughout the Commission. A primary element in that process is defining and implementing imaging solutions for document management beyond the basic disclosure reports which currently are imaged.

**Improvement Opportunity 4-5:** Once the Commission has a certain date for mandatory electronic filing, RAD should begin to work with Data Systems to develop an automated, paperless review process to replace the existing manual, paper-intensive reviews.

- In November, RAD began using version 1 of a program allowing for automated review of electronically filed reports. Per RAD requirements, the program conducts all math checks and presents the data in formats that permit quick review for missing information. The program has been installed for all RAD analysts, and is currently in use. Additional modifications, based on analyst experience, are anticipated over the next several months. See PwC Recommendation 10.

**Improvement Opportunity 4-6:** Realign resources in the Disclosure and Data Systems Divisions to enable a more unified approach to disclosure. FEC should establish a single office for disclosure...responsible for creating the public record (from start to finish), as well as FEC compliance with the 48-hour rule.

**FEC Progress:** See Recommendation # 8.

**Improvement Opportunity 4-8:** In the event that mandatory electronic filing seems unlikely in the foreseeable future, the FEC should explore alternate plans to the EFS that would optimize its existing investment in imaging technology by integrating compatible technologies such as optical character recognition (OCR), bar codes and workflow software.

**FEC Progress:** See Recommendations #5 and #10.

**Improvement Opportunity 4-10:** The FEC should continue to solicit input from both filers and internal staff regarding necessary enhancements to the electronic filing system.

**Lead Office:** Data

**Participating Offices:** None

**FEC Progress:** The Commission sent an electronic filing survey to all active committees on May 10. A total of 1,543 valid responses have been received as a result of two waves of questionnaires and Web-based distribution of surveys. Analysis of the survey responses suggests a number of initiatives that would encourage electronic filing, including:

- Better written explanations of how to use the Commission's electronic software, to accompany the software; and
- More opportunities for training on the Commission's new electronic filing system.

In response to these suggestions additional documentation is currently being developed, and the Data Systems Development Division has initiated a new training program which will complement the training conducted at FEC conferences and other venues.

- The Commission has also sent questionnaires to all known software vendors requesting feedback on their experience with electronic filing and recommendations for improvements. This communication may lead to additional contacts and formal meetings to ensure that vendors are included in planning any modifications to the program.

**Improvement Opportunity 4-15:** Continue to calibrate the RAD referral thresholds with OGC Enforcement Section civil penalty guidelines so that RAD referrals to OGC result in conciliation agreements with monetary penalties.

**Lead Offices:** RAD, OGC Enforcement and OGC PFESP

**Participating Office:** Audit

**FEC Progress:** See Recommendation #15.

**Improvement Opportunity 4-16:** To increase the level of detection of patterns of improper campaign finance practices, RAD should initiate a data-mining and contributor-collaboration software pilot to assess the degree to which "financial" transaction violations can be identified.

**Lead Office:** RAD

**Participating Office:** Data

**FEC Progress:** Developments in automating RAD review of reports will have an impact on data-mining activities. See Recommendation # 10.

**Improvement Opportunity 4-20:** Development efforts should be initiated by OGC to define additional scoring criteria that estimate resource allocation by tier of case.

**Lead Office:** OGC Enforcement and OGC PFESP

**Participating Offices:** None

**FEC Progress:** See Recommendation # 14. The Office of General Counsel anticipates considering this proposal once the case management system has been operational for a period of time.

## **Other Projects**

### **1. Transfer payroll and personnel systems to the National Finance Center.**

**Lead Office:** Accounting

**Participating Offices:** Accounting, Personnel, Data

**Target Completion Date:** The Accounting Division completed this project in November 1999

**FEC Progress:** The FEC has completed the process of migrating both its Personnel and Payroll systems to the USDA's National Finance Center (NFC).

### **2. Year 2000 Remediation Effort**

**Lead Office:** Data

**Participating Offices:** All Divisions

**Target Completion Date:** The Data Division completed this project in December

1999

**FEC Progress:** A complete end-to-end test of all systems was performed, and successfully completed on December 17, 1999. On January 1, 2000, the FEC Y2K Project Work Group and supporting staff, conducted actual data rollover checks and all systems operated with no problems. The Y2K Day-One After Action Report was completed on January 13, 2000.

**3. Conduct computer security review.**

**Lead Office:** Data

**Participating Offices:** Data

**Target Completion Date:** March 2000

**FEC Progress:** Utilizing GSA's MOBIS schedule, the FEC placed a task order with Booz-Allen to conduct a complete computer security review. The order involved a review of all facets of computer security, including internal controls, physical access, unauthorized software, computer viruses, network infrastructure and review of local area network as required by OMB Circular A-130. The draft Information Technology Security Program Management Plan 1999-2001 is being reviewed. An Information Technology risk assessment has been completed with the delivery of a draft risk assessment report. The final report is due March 3, 2000. A penetration test was completed in January, and the draft report containing the results is scheduled for delivery on February 18, 2000.

**4. Enhance FEC Web site.**

**Lead Office:** Data

**Participating Offices:** Virtually all

**Target Completion Date:** Project has been completed.

**FEC Progress:** The redesigned FEC Web site was launched in December, 1999 and has been widely regarded as a significant improvement in organization and presentation of material.

On January 31, 2000, the Commission began posting agendas and agenda documents for open Commission meetings, as well as Advisory Opinion Requests and correspondence related to pending Advisory Opinions, on the Web site.

**5. Implement Document Management System in OGC (PCDocs).**

**Lead Office:** OGC

**Participating Offices:** Data, Commissioners' Offices

**Target Completion Date:** July 2000

**FEC Progress:** OGC PFESP was selected as the pilot group for implementing this project.

**6. Implement Document and Tracking System in Audit (TeamMate).**

**Lead Office:** Audit

**Participating Offices:** Audit and Data

**Target Completion Date:** June 2000

**FEC Progress:** A vendor has been selected and a task order placed with the selected vendor to conduct a requirements analysis of the audit work process. Specifically, the vendor is required to identify a system or systems which will optimize the audit workflow process, provide electronic work papers and track audits. It is anticipated that the Report will be finalized by March, 2000; acquisition and implementation of the electronic audit workflow and management process would begin this fiscal year. Transitional issues and training of staff would occur during the second and third quarter, 2000, with the systems fully operational by October 1, 2000 — before the planned commencement of Title 26 field audits of the nominees' primary and general election campaigns and the audits of the nominating conventions and host committees.

**7. Expand imaging process to include materials other than campaign finance reports.**

**Lead Office:** Data

**Participating Offices:**

**Target Completion Date:** FY 2002

**FEC Progress:** FEC placed a task order with AMS in September to develop a strategy for implementing a Commission-wide document management system. The first phase of the project is slated for completion by April 2000. Areas to be considered include the in-house disclosure imaging system, the OGC imaging efforts (LSI and PCDocs), TeamMate for the Audit Division, and the processes yet to be defined governing the overall agency-wide document management system.

The project plan was completed on November 10, 1999. Interviews of the following offices are completed: Public Disclosure, Information, Press, Data, RAD, Audit, Enforcement, and Litigation. Completion of interviews in the remaining sections of OGC will be accomplished in February 2000. The draft requirements analysis is expected in March 2000, with the cost benefit analysis due in June 2000.

**8. Conduct feasibility study of Optical Scanning Recognition and Bar Code technology.**

**9. Contract for IT services and data entry support services.**

**Lead Office:** Data

**Participating Offices:** None

**Target Completion Date:** Project was completed in August 1999

**FEC Progress:** A contract for data entry support services was awarded in FY 1999.

**10. Renovate building.**

**Lead Office:** Administration, Planning and Management

**Participating Offices:** All

**Target Completion Date:** August 2000

**11. Expand the 2 U.S.C. §437(g) field audit program.**

**Lead Office:** OGC

**Participating Offices:** Audit, RAD, Public Disclosure, Staff Director, Commissioners' Offices

**Target Completion Date:**

**FEC Progress:** On September 14, 1999, the Commission authorized a task force to focus on the Title 2 audit process and on ways to expand the use of audits in the Commission's enforcement process. The task force includes representatives from the Commissioners' offices, the Staff Director's office, Audit Division, OGC, RAD, Public Disclosure and Data.

**12. Alternative Dispute Resolution (ADR) Pilot Program.**

**Lead Office:** OGC

**Participating Offices:** Staff Director, Commissioners' Offices

**Target Completion Date:** July 2000

**FEC Progress:** Representatives from the Staff Director's Office, OGC and Commissioners' offices have been assisting the Federal Mediation and Conciliation Service (FMCS) in its preparation of a final report on a proposed FEC Alternative Dispute Resolution. On December 14, 1999, FMCS met with the Commissioners to present their final ADR design report, including findings and recommendations. Additionally, OGC developed case selection criteria, which will help define the potential scope of the ADR project and assist the Commission in the selection of actual cases to be resolve. As a result of the December meeting, the Commission directed the Staff Director, in conjunction with OGC, to draft a proposal to implement the ADR program. and to issue a vacancy announcement for the Director, Office of ADR. The closing date for the position is February 22, 2000. The Director will report to the Staff Director and be responsible for developing and implementing the ADR program.

**13. Determine effect of projected shortage in Presidential public funding program.**

**14. Integration of Macintosh Publishing Program Into Commission-Wide Server-Based Computer System**

**Lead Office:** Data

**Participating Offices:** Information Division, Administrative Division

**Target Completion Date:** 1<sup>st</sup> quarter, 2000

**FEC Progress:** A new server has been purchased to exclusively handle all work related to FEC publications produced on the Macintosh. A decision was made to purchase a separate server after tests revealed that Macintosh operations compromised the workings of other programs when the two were combined on one server. Implementation of the program will increase the efficiency and productivity of the agency's publications program. The new server has been installed. Final testing and documentation should be completed in February 2000, and the server is scheduled for full operation by the end of February 2000.

**15. Waiver of State Filing Requirements.**

**Lead Office:** Public Records

**Participating Offices:** RAD, Data, Information  
**Target Completion Date:** This project has been completed.  
**FEC Progress:** In 1995, Congress enacted 2 U.S.C. §439(c), which exempts states from receiving and maintaining copies of federal campaign finance reports provided that the state, "as determined by the Commission, has a system that permits electronic access to, and duplication of, reports and statements that are filed with the Commission."

In addition to implementing the statutory provisions of 2 U.S.C. §439(c), there are three complementary goals of a state filing waiver: to relieve state offices of filing and maintenance burdens, to relieve committees of duplicative state filing, and to maintain or increase the level of state disclosure.

On October 14, 1999, the Commission formally approved a program to provide state offices with a method that ensures public Internet access to the Commission's web site to view and copy the federal campaign finance disclosure reports, and, in so doing, waive states from the requirement that they receive paper copies of these reports. Note that the waiver does not apply to reports filed by campaigns for U.S. Senate candidates and other political committees that support only U.S. Senate candidates. Soon thereafter, the Commission announced the opportunity to states.

To date 41 states have responded positively to participating in the state waiver program and have given the FEC their hardware and software requirements. Of that total, 33 have been granted a waiver. The next circulation for Commission approval of states requesting the waiver will be made in early March.

#### **16. Review Operation of Commission Secretariat.**

**Lead Office:** Commission Secretary  
**Target Completion Date:** March 2000  
**FEC Progress:** The Staff Director is currently reviewing a draft report submitted by the contractor.



**Appendix B**

**FEDERAL ELECTION COMMISSION**

**STRATEGIC PLAN**

**FY 1998-2003**

**PURSUANT TO GPRA AND OMB A-11**

**Submitted to OMB/Congress November 21, 1997**  
**Revised November 22, 1999**

## **FEDERAL ELECTION COMMISSION STRATEGIC PLAN FY 1998-2003**

As directed by the House Committee on Appropriations, OMB, and the GPRA, the FEC submits this Strategic Plan with our FY 2001 Budget Request. The Strategic Plan provides the framework for how the Commission will utilize its resources to implement and enforce the campaign finance laws during the 1998 (FY 1998-1999), 2000 (FY 2000-2001), and 2002 (FY 2002-2003) election (campaign) cycles. This concept, and the definition of an election cycle, is explained below.

The FEC first submitted a Strategic Plan in 1995 in conjunction with our FY 1997 budget request. We have necessarily revised our Strategic Plan to comply with any additional guidance provided by OMB and to reflect changed circumstances. The information in this plan is consistent with all currently available OMB guidance including OMB Circular A-11, as revised, per Transmittal Memorandums for all OMB A-11 Supplements. The plan will be modified in accordance with any future OMB guidance to agencies concerning compliance with the provisions of Public Law 103-62, the Government Performance and Results Act (GPRA).

### **MISSION STATEMENT**

**The ultimate mission of the FEC is to assure that the campaign finance process is fully disclosed and that the rules are effectively and fairly enforced, fostering the electorate's faith in the ultimate integrity of the nation's political process.**

The sanctity of the political process is key to public faith in the policy decisions made by the elected and executive branches of government. Desired outcomes from the successful achievement of this mission include providing the electorate with the capability to make educated, informed decisions in the political process as to where candidates for federal office derive their financial support, and the confidence that those who disregard the FECA's restrictions on campaign financing and/or its requirements for public disclosure will suffer real and evenhanded consequences for non-compliance.

In attaining these outcomes, the FEC strives to foster and maintain an attitude of voluntary compliance with the rules of the campaign finance process. The FEC realizes that voluntary compliance and public confidence are necessary because limited budgetary resources preclude massive efforts to enforce the FECA.

The vehicle provided by Congress for accomplishing this mission is the Federal Election Campaign Act (FECA) as amended. Administering and enforcing the FECA includes facilitating public disclosure of campaign finance activity; providing information and policy guidance to the public, press, political committees, and elections officials on the law and Commission regulations; encouraging voluntary compliance with the disclosure and other requirements of the FECA; and enforcing the statute through audits, investigations, and civil litigation. Administering and enforcing the FECA also involves implementing the public funding programs for Presidential campaigns and conventions. This includes certification and audits of participating candidates and committees, and enforcement of public funding legislation.

### **DESCRIPTION OF GENERAL GOALS AND OBJECTIVES**

In order to achieve this mission, the FEC has identified four major goals and objectives. Because it is difficult to quantify and measure faith in a political process, we

have tied these four goals and objectives to four core programs, which themselves are more easily subject to quantification and measurement:

**PROGRAM I.** Promoting disclosure of campaign finance reports required to be filed for public view under the FECA (Title 2): to promote full, accurate, and timely disclosure of campaign finance activity in federal elections, and to provide information and policy guidance on the FECA to the public, press, and those persons and entities required to comply with the FECA.

**PROGRAM II.** Enforcing the disclosure and limitations provisions of the FECA (Title 2): to encourage and obtain voluntary compliance with the disclosure and limitations provisions of the FECA through enforcement of the FECA in a timely, consistent, and comprehensive manner.

**PROGRAM III.** Implementing the presidential election public funding provisions of the FECA (Title 26): to successfully administer the public funding provisions of the FECA under Title 26 U.S.C. for qualified candidates in presidential elections.

**PROGRAM IV.** Enhancing federal election administration: to assist state and local election officials charged with administering federal elections through operation of the National Clearinghouse on Election Administration.

It is assumed that the successful outcomes of these programs will ultimately lead to the successful achievement of the Commission's mission to assure public confidence in the campaign finance system.

#### **ACHIEVEMENT OF GENERAL GOALS AND OBJECTIVES--EXPECTED OUTCOMES**

The desired mission related outcome is that the public has a high level of faith and trust in the fairness of the campaign finance and political processes. Program related outcomes include:

Program I, Public Disclosure. Outcomes:

- That sources of campaign funds in federal elections are accurately, fully, and timely disclosed to the public;
- That the electorate can make informed decisions as to the sources of campaign funds for candidates for federal office;
- That the electorate can readily obtain campaign finance information directly from the FEC in usable formats;
- That the press and media can use FEC data to more widely disclose campaign finance information;
- That the public and the campaign finance community can easily obtain policy guidance and assistance in understanding and complying with the FECA.

**Program II, Compliance. Outcomes:**

- That the public has confidence that the FECA is fairly and swiftly enforced;
- That the election community has a high level of confidence that the FECA is fairly enforced, resulting in a high level of voluntary compliance with the FECA;
- That the election community believes that there are real, timely consequences for violation of the disclosure and limitation provisions of the FECA;
- That limited FEC enforcement resources are focused on the most salient and significant compliance concerns under the FECA.

**Program III, Public Financing. Outcomes:**

- That the successful implementation of the public funding provisions of the FECA continues for each presidential election;
- That all federal funds disbursed in presidential elections are properly certified and accounted for by eligible candidates;
- That all audits and enforcement actions related to public funding are completed in a fair and timely fashion;
- That there are real and timely consequences for failure to comply with the FECA requirements under Title 26.

**Program IV, Election Administration. Outcomes:**

- That the FEC complies with all statutory responsibilities under the NVRA (National Voter Registration Act) and Voting Accessibility Act, to help improve the national level of voter registration and accessibility of polling places;
- That state and local elections officials receive informational and educational assistance in administering federal elections in an efficient and effective manner;
- That public confidence in the fairness and reliability of the polling process in federal elections remains high.

**RELATIONSHIP BETWEEN PERFORMANCE GOALS IN THE ANNUAL PERFORMANCE PLAN AND GENERAL GOALS AND OBJECTIVES IN THE STRATEGIC PLAN.**

**Definition of an Election Cycle**

The Commission defines its work generally in the context of election cycles. There are, however, many definitions of an "election cycle." For example, for disclosure database purposes, the FEC thinks in terms of four calendar years, i.e. the 1996

Database begins in January of 1995 and continues through December of 1998. However, the press and academicians define an election cycle as the preceding and actual election years.

In the context of this Strategic Plan, the FEC notes that the actual 1998 election occurs in FY 1999, and that the break in fiscal years (October 1) comes in the middle of the peak pre-election period when the FEC experiences its heaviest workloads for many programs.

As a result, for budget and planning purposes, the FEC generally considers an election cycle to include the election year and the following year, i.e. FY 1998 and FY 1999 comprise the 1998 election cycle for the purposes of this Strategic Plan. However, the flow of work for programs such as audits and enforcement actions is such that action on the referrals for audits and compliance actions from the 1998 election most likely will not be finalized for three to four years after the election cycle. This is particularly true for presidential audits and enforcement cases arising from the public funding provisions of the FECA. Therefore, work undertaken or completed in any fiscal year will necessarily include work arising from two or more election cycles.

#### Strategic Plan and Election Cycles/Performance Plan and FY's

The Strategic Plan discusses performance goals and workloads by election cycle (unless otherwise noted), while the Performance Plan relates the activities of the specific fiscal year (FY 2001) to work from several election cycles. The Performance Plan also relates the performance goals for the FY to the levels of funding, relating the impact of reduced funding to the obtainable level of outcomes possible.

### **STRATEGIC PLAN FY 1998-2003 PERFORMANCE GOALS**

The targets and goals included in this Strategic Plan were originally based on the assumption that the Commission received an appropriation sufficient to fund 360.5 FTE in each FY in a presidential election cycle, what we termed a "Current Request Performance Level" of funding. In essence, this is the "Reduced Performance Level" of our previous Strategic Plans, modified to add the 47 FTE we believed were essential to handle the heavy compliance workload, prepare for the 2000 presidential election, and provide support for our ADP modernization.

In several areas the Current Request Performance Level fell short of the performance goals we identified in prior Strategic Plans at a "Standard Performance Level" based on an FTE level of 332. For example, there would be slippage of the time frames for completion of data collection, reports review, and referrals for audits and/or compliance actions, as well as for responsiveness to requests for information and data inquiries. Because our appropriations in recent years fell well short of the amount needed to fund 332 FTE, and because our greatest concerns lie with the adequacy of the compliance program, we revised our Strategic Plan to set forth performance goals that reflected more accurately how the agency would be functioning at the Current Request Performance Level. However, should we find that certain functions clearly need more resources, for example in the reports review area where delays in sending requests for additional information or referring matters for audit or enforcement can be serious, we will modify this Plan and/or budget requests as appropriate.

## **PROGRAM I. DISCLOSURE**

In order to meet the outcome goal that the public is capable of being fully informed about campaign finance sources, during each federal election cycle (primaries and the general elections) the Commission will accomplish the following:

**A. Place between 80,000 to 85,000 reports and 20,000 to 25,000 statements from over 8,000 committees filing reports on the public record each election cycle.**

- 1. Complete coding and entry of summary data from documents and statements filed each cycle and meet the 48 hour deadline for making documents public for 99% of those filed;**
- 2. Complete coding and entry of itemized data from reports filed, including 1.5 to 2.0 million itemized transactions per cycle, completing 95% within 45 days of reports being received (quarterly filing periods) at the FEC;**
- 3. Complete the review of all reports filed and refer all potential enforcement actions and audits each cycle, 75% of reviews within 120 days of receipt;**
- 4. Issue 17,500 Requests for Additional Information (RFAs) per cycle to correct the public record, 60% within 90 days of receipt of report (getting back to filers within 90 days minimizes repetitious errors which tend to further burden the disclosure process); respond to requests for assistance from 21,000 filers per cycle.**

**B. Produce analytical summaries and releases of campaign finance data in summary form, and in the aggregate and by individual committees, periodically prior to each election, and in summary form after each general election:**

- 1. Analytical releases after each election year quarterly report and the pre-general election report;**
- 2. Summary statistical analyses after each election cycle in book form: Reports on Financial Activity or RFAs;**
- 3. Undertake a database accuracy review monthly for summary and itemized data entry.**

**C. Make FEC database and data available to requesters directly through computerized access:**

- 1. Provide free access to the FEC disclosure database to all state elections offices wishing to participate: currently over 30 states;**
- 2. Provide timely on-line access to the FEC disclosure database to the public through the services of the Data Systems Division and the storefront Public Records Office.**

D. Respond to over 500,000 requests for data, information, copies of reports or indices, and other requests for assistance each cycle:

1. 90,000 requests in Public Records;
2. 175,000 inquiries in Information (800 line, etc.);
3. 35,000 requests in the Press Office, and over 1,000 FOIA requests;
4. Copies of materials and publications to 50,000 requesters;
5. 150,000 computer indices and printouts.

E. Respond to Advisory Opinion requests and operate informational outreach programs:

1. Respond to 100% of 50 to 60 Advisory Opinion requests per cycle within 60 and 20 day statutory deadlines;
2. Publish an Annual Report each year, the *FEC Record* monthly, and provide prior notice of filing dates to filers;
3. Make copies of the Act (FECA) and FEC Regulations available to filers, as well as disclosure forms;
4. Conduct five to six campaign finance workshops to educate filers.

## PROGRAM II. COMPLIANCE

In order to meet the outcome goal that the public is assured that the FECA is fairly and speedily enforced, the Commission will accomplish the following:

A. Make 275-300 referrals from the Reports Analysis Division for potential audit or enforcement per cycle:

1. Refer 200 committees for potential audits under 2 U.S.C.438(b) per cycle, with 180 in second year of cycle (e.g. FY 1999 for 1998 cycle) and all audit referrals of candidate committees within the statutory deadline of six months from the general election;
2. Refer 75 to 100 committees for potential enforcement actions under 2 U.S.C.437g per cycle.

B. Complete audits of committees referred under 2 U.S.C. 438(b), estimated 25-30 for each cycle:

1. 17-20 unauthorized (non-candidate) committees;
2. 8-10 authorized (candidate) committees;
3. Also complete review of all audits for legal issues.

C. Process enforcement workload arising from complaints and the internal review and referral system for each cycle:

1. Process 250-300 complaints plus 75-100 internal referrals during the two year period;
2. Assuming an average total caseload of 290-300 cases in any given month, maintain an average active caseload of 40-45% of total caseload.

D. Close 450-500 cases in each election cycle, 45% with substantive Commission action. (This 45% represents cases in which the Commission has reached a substantive finding on the merits of the matter, other than dismissal, including findings of no RTB.)

E. Pursue resolution of cases through litigation and defend the FEC and FECA in suits brought by other parties to fully enforce the FECA:

1. Initiate litigation in an estimated 20-25 offensive suits per cycle (always meeting five-year statute of limitations);
2. Defend the FEC and FECA in 20-30 suits initiated per cycle.

### PROGRAM III. PUBLIC FINANCING

In order to meet the outcome goal that the public funding programs under the FECA are fully implemented and fairly and speedily enforced, the Commission will accomplish the following:

Within two years of each presidential general election:

A. Complete the certification of payments to and audits of publicly funded candidates in presidential elections:

1. Process monthly certification requests for federal matching funds (estimated 15-17 candidates in 2000 election);
2. Audit primary candidates receiving federal matching funds (15-17 in the 2000 election);
3. Audit at least four national party convention and host committees receiving federal funds for nominating conventions;
4. Audit general election candidate committees of two major parties (and any minor parties).

Within three years of each presidential general election:

B. Complete legal review of presidential audits:



1. Review legal issues arising from primary audits, at least four convention audits, and two or three general election audits;
  2. Resolve repayment questions for committees receiving federal funds (always meeting three year statute of limitations).
- C. Initiate enforcement cases involving presidential committees referred through internal referral process or complaint.
- D. Provide Congress with a report on the public funding programs.

Within four years of each presidential general election:

- E. Complete initial actions on enforcement cases involving presidential committees referred through internal process or complaint.

#### PROGRAM IV. OFFICE OF ELECTION ADMINISTRATION

In order to meet the outcome goal that the FEC will assist state and local elections officials in conducting federal elections, the Commission will operate the Office of Election Administration each election cycle, and accomplish the following:

- A. Conduct research projects in elections administration issues and publish results:
1. Fund research projects as appropriate, making results available in printed form (less in contracts at reduced funding levels);
  2. By 1999, make computerized results available on-line.
- B. Provide informational and educational outreach to elections administration officials, and seek their input by conducting an annual advisory panel meeting:
1. Attend state and national elections officials' conferences and meetings;
  2. Respond to 12,000 informational requests per cycle, and publish an elections administration Journal;
  3. Conduct an annual advisory panel meeting;
  4. Meet with elections officials from other countries to foster the spread of democratic, fair and well-administered elections.
- C. Carry-out the obligations of the Office of Election Administration with regard to voting accessibility and NVRA ("motor voter") legislation:
1. Review NVRA state regulations and registration forms and report to Congress on the impact of the NVRA after each election;
  2. Coordinate research projects with needs of officials to comply with NVRA.

## **COMPUTERIZATION AND ELECTRONIC FILING PROJECTS**

In order to successfully meet the goals for the four core programs, the FEC will also undertake the following projects from FY 1998 through FY 2002:

- Supplement and enhance existing FEC ADP systems connected to the mainframe databases; complete fully enhanced installation by FY 2002;
- Implement a full-scale electronic filing system on a limited, volunteer basis during the 1998 election cycle, with all committees able to file electronically by the 2000 election cycle;
- Absent amendment to the FECA, committees will only file electronically on a voluntary basis for the 1998, 2000 and 2002 cycles;

More details for the Electronic Filing and ADP Enhancements projects are available in the Commission's FY 1997-2002 Computerization Strategic and Performance Plans. The timing of the completion of the two remaining computerization initiatives is dependent upon the overall level of FEC funding: reduced levels of funding delay the completion of the projects.

## **KEY FACTORS THAT COULD AFFECT ACHIEVEMENT OF GENERAL GOALS AND OBJECTIVES**

External factors which have the greatest potential to significantly and adversely impact on our ability to achieve our statutory mission are those that affect the general application of the FECA itself. Such factors include, but are not limited to:

- The number of candidates who run for federal office and the amount of money involved in the political process.
- Significant and substantive amendment to the FECA itself, which could either close present "loopholes" in the law and strengthen the FEC's enforcement and disclosure operations, or changes loosening the regulations regarding the limits and restrictions on fundraising and reporting;
- Definitive Supreme Court judicial review of presently contested elements of the FECA, e.g. the definition of "express advocacy," the legal determination of what activity by a group triggers registration as a committee (and thus reporting requirements and limitation provisions), and similar controversial elements of the present regulatory regime;
- The solvency of the Presidential Election Campaign Fund and, as a consequence, the determination of presidential candidates to either opt in or out of the public funding programs;
- Major increases or decreases in the level of funding appropriated to the FEC and the presence and nature of any restrictions on the use of those funds;

-- Significant increases or decreases in the level of competition in federal election campaigns, the volume and intensity of fundraising for federal campaigns, and the general political attitude, interest, and awareness of the public and the electorate, which can greatly influence the tone and competitiveness of elections.

All of these factors can influence the amount of money to be regulated by the FEC each election cycle, driving FEC workloads such as the number of reports filed and transactions to be processed, the volume of requests for information, data, and assistance made to the FEC, and the number of complaints filed with the Commission. Of all these factors, the status of the presidential fund and the appropriations level for the FEC are perhaps the most salient currently.

Record levels of campaign finance activity in the past three election cycles, coupled with limited budgetary resources available, have severely strained the Commission's ability to meet mission objectives and performance goals. The status of the presidential fund may become an active factor in the 2000 election, due to declining public support of the check-off and absent any legislative fix to index income into the fund.

## **FEC PROGRAM EVALUATION ACTIVITIES**

The FEC has a planning and budgeting system which is based on a detailed Management Information System (MIS), and is driven by program based workloads and activity data, outputs, and productivity measures. In an on-going evaluation process, the monthly MIS reports and FY based productivity measures are used to evaluate program efficiency and effectiveness. The FEC has also married the A-123 and A-127 processes, under the Federal Managers' Financial Management and Integrity Act or FMFMA, to ongoing program management activities, and has striven to relate the annual A-123 reports to the FEC Budget requests.

The evaluation of program resources, mainly staff resources, and the resulting program outputs and productivity measures are used in the internal planning and budget formulation processes. Commission Management Plans and Budget Requests are workload-driven, and related to resource levels and expected program activity levels.

As a personnel intensive agency, over 70% of the Commission's resources are staff costs, and the remaining 30% represents mainly rent and other direct support for that staff. Using the MIS and Summary MIS reports, both produced on a monthly basis, all workloads, program outputs, productivity, and effectiveness and efficiency are constantly being monitored, often in great detail. This is reported to the Commission in monthly Management Reports from the Staff Director. Several other tracking systems monitor the status of reports processing (filing, filming, data coding and entry, and reports review), enforcement and litigation activities, Advisory Opinions and regulatory rule making, and audit progress. The Enforcement Priority System continually adjusts active enforcement caseloads to match available resources.

The Performance Goals contained in this Strategic Plan and the FY 1999 Performance Plan are tied directly to the Commission's workload and activity measures and the level of funding requested. The detailed level of on-going program activity monitoring and output measurement efforts will enable the Commission to determine if our performance goals are being achieved. This will provide the basis for future evaluations of our efforts.

As noted above, quantifying and measuring faith in a political process is difficult. The FEC does believe that our performance goals and the related program outputs help indicate whether we can achieve the desired outcomes of public faith in the campaign finance system and the political process. Lack of funding precludes establishment of an evaluation staff dedicated solely to perform formal program reviews and evaluations. However, the detailed MIS monitoring system, and the FEC OIG audits of Commission financial and related systems, provide an ongoing evaluation system of some detail.

**Appendix C**

**FEDERAL ELECTION COMMISSION  
FY 2001 PERFORMANCE PLAN  
PURSUANT TO GPRA AND OMB A-11**

**Submitted to OMB/ Congress December, 1999  
Revised February, 2000**

## **FY 2001 PERFORMANCE PLAN FEDERAL ELECTION COMMISSION PERFORMANCE MEASURES, GOALS AND TARGETS**

### **PERFORMANCE MEASURES AND GOALS**

The FEC Strategic Plan identifies performance goals by election cycle or other multi-year time frames. This FY 2001 Performance Plan relates these objectives, goals, and targets to FY 2001. The FY 2001 budget request is couched in terms of resource levels and tied to the four Commission general goals and objectives.

Our Strategic Plan noted the difficulty in developing true measures of performance for the FEC's mission. It is difficult to define and measure public faith in the political and campaign finance systems. It is also difficult to measure the impact of the FEC on the public's confidence in the political process. However, the Commission has developed a set of performance indicators which we believe will measure whether we are successful in achieving improved public confidence in the political process.

If we are successful in meeting our performance targets for timely review and processing of reports, if we meet our targets for resolving enforcement actions in a timely manner, and if we are successful in informing and educating the public about campaign finance, we believe this will help ensure the outcomes desired: public confidence in the Commission's ability to fairly and effectively apply campaign finance rules and to promote disclosure, thereby enabling the electorate to make informed choices in the electoral process.

### **PERFORMANCE LEVELS AND FUNDING/FTE**

We have requested a FY 2001 budget of 356 FTE and \$40,960,000. The request represents a continuation of funding from FY 2000, enacted at \$38,278,000 and 351.5 FTE, as adjusted to cover inflation, federal COLAs, and the cost of implementing our Information Technology (IT), or ADP, Strategic Plan. We also adjusted down the staffing level to account for the five temporaries funded in FY 2000 to certify matching fund submissions for the 2000 presidential election cycle. We calculated the cost of the resulting "base" level of 347 FTE at \$39,755,000. To this "base" we added five FTE for an Alternative Dispute Resolution project and an improved Title 2 Audit program, plus some initiatives for our Office of Elections Administration. This provides for a continuing resources level, calculated to be \$40,500,000 for 352 FTE in FY 2001. Finally, we have added a request for 4 additional staff in FY 2001. The additional staff would be allocated to the Commissioners to provide for an additional executive assistant in all Commissioner offices, not just for the Chairman and Vice Chairman as is currently funded.

Therefore, the Commission calculated the cost of the FY 2000 appropriation as adjusted, as funding 347 FTE in FY 2001 at a cost of \$39.8 million. This reflects a "Minimal Performance Level" base budget for FY 2001. This minimal performance level is supplemented by an additional 5 FTE to: implement an Alternative Dispute Resolution Program, implement a PricewaterhouseCoopers (PwC) recommendation for a stand-alone Title 2 audit program, and funds to complete the revision and update of the Voting Systems Standards (VSS) and present them at a national conference of elections administration officials. This is labeled our "Current Resources Performance Level," at a cost of \$40.5 million for 352 FTE.

Finally, the Commission requests the four additional positions for the Commissioners' offices; this final Commission Request Performance level is \$41.0 million for 356 FTE in FY 2001.

In FY 2001, the Commission determined **not** to request a final increment for compliance programs. The FY 2000 appropriation and the FY 2001 Budget request reflect four of the nine additional positions contained in our original FY 2000 Requested level. That request was itself 10 FTE short of the "Full Performance Requests" submitted in FY 1998 and FY 1999 to properly process the expected future enforcement workload, plus complete on-going work on the 1996 election cycle major cases. The FY 2001 Request represents essentially carrying forward the FY 2000 appropriation for 352 FTE, with a few initiatives for FY 2001. The FEC believes that this FY 2001 request for \$41.0 million is a most reasonable funding request.

This submission indicates what the different performance level budgets will "buy" in terms of outcomes, as measured in workloads, service levels, and timeliness goals. In the final analysis, the ability of the Commission to successfully implement the FECA and meet our mission responsibilities flows from the levels of service we are capable of providing. This ultimately impacts on the ability of the Commission to assure the public that the campaign finance system is fairly enforced and fully disclosed.

Displayed below first for each objective and program are the results or predicted outcomes of the Minimal Performance Level of 347 FTE. For most programs, this is the only level requested. This is followed by the improvement possible with a Current Resources Performance Level at 352 FTE. Only the incremental changes in performance or timeliness are included in the Current Request Performance Level description; if unchanged from the Minimal Performance Level, the section is not reiterated. Next, the performance possible at the FEC Request Performance Level (356 FTE) is noted. The only programs which have performance indicated at the levels higher than minimal level are the Commissioners, the Compliance program (enforcement, litigation, audits), and the Office of Elections Administration programs.

Finally, the performance level possible at the Full Performance level of 371 FTE are identified. We did not request this level of funding, but the Performance Plan indicates what level of compliance would have been possible at this Full Performance level.

## **FY 2001 PERFORMANCE PLAN**

### **Program I: Disclosure**

#### **Objective: Promote Disclosure and Provide Information**

To meet the desired outcome that the public can make informed choices in the electoral process due to full disclosure of the sources of candidates' funding for campaigns.

#### **Minimal Performance Level (347 FTE)**

- Meet 48 hour deadline for making reports available for public review of 99% of reports filed at FEC: process (scan, film, file, code and enter summary data) an estimated 75,000 reports and statements in FY 2001 (Public Disclosure/Data Systems)

- Code and enter itemized data from disclosure reports filed, 95% complete within 45 days from the date the reports are received at the FEC (estimated 50,000 reports and 1,000,000 transactions in FY 2001); reduce backlog of unprocessed 2002 cycle reports to less than 500 (and all unprocessed reports to less than 1,000) by the end of FY 2001 (Data Systems)
- Respond to 100% of requests for assistance from committees in filing reports within 72 hours; 11,000 estimated in FY 2001 (Reports Analysis)
- Review 60% of all quarterly reports filed within 90 days of receipt at Commission (75% within 120 days), complete 100% review of all reports filed, estimated 51,000 in FY 2001; reduce backlog of unreviewed 2002 cycle reports to less than 9,000, and less than 10,000 for all reports from all cycles by the end of FY 2001 (Reports Analysis)
- Review 100% of all statements received, estimated 11,500 in FY 2001 (Reports Analysis)
- Prepare RFAI's for 100% of all committees' reports reviewed which require them, 60% within 90 days of receipt at Commission, estimated 10,600 in FY 2001 (Reports Analysis)
- Respond to 100% of all requests for documents and data within 72 hours in Public Records, estimated at 41,000 in FY 2001; provide 50,000 printouts to requesters of indices (Public Disclosure)
- Respond to 100% of all press inquiries within 72 hours, and comply with statutory deadlines for 90% of all FOIA requests received; estimated 20,000 and 150 in FY 2001 (Press Office)
- Respond to 100% of requests for general information on FEC and FECA within 72 hours, 14 days for written requests, estimated at 60,000 calls and requests in FY 2001 (Information)
- Respond to 100% of requests for copies of forms, the FECA and Regulations, and Commission brochures and guidelines within 72 hours, estimated at 30,000 calls and requests in FY 2001 (Information)
- Notify all filers of upcoming reporting periods, and provide copies of forms as a pre-reporting notice; publish monthly **FEC Record** (Information)
- Publish statutorily required **Annual Report** in similar fashion to current comprehensive efforts, and publish the following:
  - FEC Disclosure Forms
  - FECA (the Act)
  - FEC Regulations and updates, 11 CFR
  - Campaign Guides
  - Brochures on Election Processes
  - Videos on Campaign Finance (Information)



- Enable Commission to meet statutory deadlines for issuance or conclude action on Advisory Opinions for 95% of all 60 and 20 day deadlines, estimated 50 in FY 2001, and meet 45-60 day target for AO reconsiderations, 15 days for deficient request notices (OGC)

- Maintain targets for completion of all rule-making petitions filed pursuant to 11 CFR Part 200, complete revisions to sections of Regulations in FY 2001 (OGC)

- Respond to all requests for legal assistance from FOIA Officer, and for all FOIA appeals, 95% within statutory deadlines, estimated 150 requests in FY 2001 (OGC)

#### Current Resources Performance Level (352 FTE)

- Same as Minimal Performance Level

#### FEC Request Performance Level (356 FTE)

- Same as Minimal Performance Level

#### FEC Full Performance Level (371 FTE) Not Requested

- Same as Minimal Performance Level

### **Program II: Compliance**

#### **Objective: Obtain Compliance and Enforcement**

Outcomes desired are the perception by the regulated community that disclosure reports must be accurately and timely filed; that there are real consequences for non-compliance with the FECA; and that the FEC will impartially and speedily enforce the FECA.

#### Minimal Performance Level (347 FTE)

- Refer a total of 100 committees for potential 438(b) audits from the 2000 election cycle in FY 1999-2000, 80 in FY 2001 and the last 20 referrals in FY 2002 (RAD)

- Refer a total of 45 committees for potential enforcement actions in FY 2001; complete all enforcement referrals within the second FY of the election cycle (all of 2000 cycle by close of FY 2001) (RAD)

- Publish all committees who fail to file reports, referring the most egregious non-and/or late-filers for potential enforcement action, estimated 15-20 in FY 2001 (RAD)

- Complete a reduced number of 438(b) audits; initiate an estimated 25 total audits for the 2000 cycle; initiate all authorized committee audits within six months of the election (Audit)

- Maintain a system to identify and assign the more significant enforcement cases, more rapidly dispose of less significant cases, and

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- Maintain a system to identify and assign the more significant enforcement cases, more rapidly dispose of less significant cases, and

manage limited staff resources: the Enforcement Priority System or EPS (OGC)

-- Performance targets under the EPS include (all estimates assume that significant, major cases from the 1996 and 1998 cycles remain open and active during the 2000 cycle):

Process and close 225 cases in FY 2001, 40% with substantive Commission action (This represents cases in which the Commission has reached a substantive finding on the merits of the matter (other than dismissal), including findings of no RTB)

Assuming a monthly average total caseload of 275 to 290 cases during FY 2001, maintain a monthly average ratio of 40% active to 60% inactive cases (OGC)

-- Permits OGC to continue to effectively process in timely manner 4-5 major cases from pre-2000 election cycles

-- Complete review of 438(b) audit reports within 6-8 weeks on average; complete routine matters in two weeks; perform an estimated 10-15 audit reviews in FY 2001 (OGC)

-- Respond to RAD requests for review of debt settlement plans and administrative terminations within 10 days, complete review of complex debt settlement plans within 60 days; estimated 25 debt settlements and 500 administrative terminations in FY 2001 (OGC)

-- File all litigation pleadings in district court for offensive litigation within 90 days of Commission determination to file suit, and meet all other time limits for briefs and other pleadings imposed by the rule or order of the courts; estimated 10-15 defensive suits initiated in FY 2001 (OGC)

-- Make at least one attempt to initiate settlement prior to commencement of suit for each case early enough to permit consideration by Commission of any settlement proposal prior to target date of initiation of suit; initiate 9 to 10 offensive litigation suits in FY 2001

-- Ensure that all pleadings and briefs represent the Commission's positions persuasively, by reporting on status of each active litigation case once a month, and by maintaining a system to obtain satisfaction of all judgments imposing civil penalties (OGC)

#### Current Resources Performance Level (352 FTE)

-- Same as Minimal Performance Level, except for following improvements:

-- Increases number of Title 2 audits to 40-45 audits per election cycle, 20-25 authorized committee audits and 20-25 unauthorized committee audits (Audit)

- Permits operation of Alternative Dispute Resolution (ADR) process to handle more de minimis violations of the FECA in a more timely, less resource-intensive process than the traditional enforcement process (assuming the successful implementation of the pilot ADR project in FY 2000, Staff Director and OGC)

#### FEC Request Performance Level (356 FTE)

- Same as Current Resources Performance Level

#### FEC Full Performance Level (371 FTE) Not Requested

- Same as Current Resources Performance Level, except for following improvements:
- Permits OGC to improve its monthly average active case ratio to 45%, and to increase cases closed with substantive action to a rate of 48% of the cases closed
- Increases to 15 the number of offensive suits that can be initiated (OGC)

### **Program III: Public Financing**

#### **Objective: Administer Public Financing**

Desired outcomes are that the public funding program is implemented so that the availability of federal funds does not become an issue in the campaign; so that qualified presidential candidates receive entitled funds expeditiously; so that public monies are correctly spent on qualified campaign expenditures and are fully accounted for; and so that the public is assured that the FECA has been impartially enforced in a timely manner.

#### Minimal Performance Level (347 FTE)

- With 5 temporary FTE in Audit in FY 2000, allows timely processing of matching fund requests for the 2000 election from January 1999 to December of 2000; five temporary employees facilitate ability for monthly processing. (This is similar to temporary assistance utilized in prior election cycles. Assistance of auditors on loan from GAO was terminated in the 1996 cycle.) (Audit)
- With goal of completing all Title 26 audits within two years of the general election, initiate 2000 cycle audits of 12-15 primary candidates, at least four convention committees (two per major party), and three general election audits (Audit)
- Produce report to Congress on the 2000 matching fund process within 2-1/2 years of 2000 general election (Audit)
- Complete legal reviews of all 2000 presidential audits within two years of 2000 election (December 2002) (OGC)

- Complete all repayment matters for 2000 cycle committees receiving public funds within three years of general election (by December 2003) (OGC)
- Complete audit legal review comments within 8 weeks of completion of preliminary Title 26 audits for 2000 cycle (OGC)
- Report on enforcement matters arising out of Title 26 audits and presidential campaigns to Commission every 3-6 months, depending upon complexity of cases; complete routine legal matters within one week; complete all investigations of 2000 presidential matters within four year presidential election cycle (by December 2004) (OGC)

Current Resources Performance Level (352 FTE)

- Same as Minimal Performance Level

FEC Request Performance Level (356 FTE)

- Same as Minimal Performance Level, except that the ADR program will allow enforcement staff to focus on more serious compliance actions and provide for alternative resolution of less significant violations through the ADR project. Although the enforcement case load will remain the same, more total matters will be substantively acted upon, as the ADR process will provide for a more rapid response to matters which can be handled in the ADR process. The exact number of cases resolved through the ADR will only be evident once the pilot project has been in place during a complete election cycle.

FEC Full Performance Level (371 FTE) Not requested

- Same as FEC Minimal Performance Level, except for the following improvements:
- Additional FTE in Audit would assure completion of all presidential audits in 2000 cycle by two years from the 2000 general election, without adverse impact on Title 2 audit program under 2 U.S.C. 438(b) (Audit)
- Additional FTE in PFESP in OGC would assure timely review of all 2000 cycle audits of presidential candidates (OGC)

**Program IV: Office of Election Administration**

**Objective: Administer Office of Election Administration**

Desired outcomes are that the state and local election officials charged with administering federal elections are able to hold fair elections efficiently with public confidence in the integrity of the results; to enable elections administrators to comply with the Voting Accessibility and NVRA statutes. The FEC is required by the NVRA to report to Congress on the impact of the law after each election.

#### Minimal Performance Level (347 FTE)

- Conduct research (\$100,000) into elections administration issues, and respond to 100% of an estimated 7,500 requests for information within one week. Research projects include: continued work on Updated Voting Systems Standards.
- Comply with all statutory responsibilities and deadlines with regard to the Voting Accessibility and National Voter Registration Acts

#### Current Resources Performance Level (352 FTE)

- Same as Minimal Performance Level, except for the following improvements:
- Increase funding for VSS update to \$200,000 to complete project in FY 2001 at a total cost of \$450,000.
- Hold National Conference of Elections Administration Officials to introduce updated VSS and hold workshops on various subjects for state and local elections officials.

#### FEC Request Performance Level (356 FTE)

- Same as Current Performance Level

#### FEC Full Performance Level (371 FTE) Not requested

- Same as Current Performance Level

The Office of Election Administration represents virtually the only direct federal assistance to the multitude of state and local elections officials charged with administering federal elections. The ability, or inability, to properly administer elections and tally elections results can affect the outcome of assuring public faith in the electoral process.

#### **Information Technology (IT or ADP) Projects**

A cross-cutting set of projects for computer development and enhancements, which will assist all Divisions and Offices in meeting their objectives and goals as defined above. The two major initiatives are the IT Enhancements and the Electronic Filing projects.

#### Minimal Performance Level (347 FTE)

- continue to provide point of entry for filing House disclosure documents at the FEC; scan all documents and transmit images to House Office in usable format for that office; eliminate duplicate processing at FEC and House office.
- Continuation of multi-year enhancement and upgrade of IT systems for all Commission Offices and Divisions; replaced FEC mainframe based word-processing and E-mail systems with networked, PC based system;

retained access to FEC developed disclosure database and other FEC developed systems, including the disclosure imaging system.

- Development and implementation of a mandatory electronic filing system for disclosure reports required to be filed under the FECA; interim system initiated on January 1, 1997; implemented a full electronic filing system on a test basis for 1998 election cycle, completed testing and total voluntary system implementation in 2000 election cycle. Implement mandatory, with thresholds, electronic filing for 2002 cycle.

- Assumes \$4.689 million and 8.5 FTE for the computerization initiatives in FY 2001, according to the revised FEC FY 1998-2003 IT (ADP) Strategic and Performance Plans.

Current Resources Performance Level (352 FTE)

- Same as Minimal Performance Level

FEC Request Performance Level (356 FTE)

- Same as Minimal Performance Level

FEC Full Performance Level (371 FTE) Not requested

- Same as Minimal Performance Level